2016 Annual Report

CHURCH & DWIGHT CO., INC.

KEY FINANCIAL HIGHLIGHTS

In Millions, except per share data

	2015		2016	
	reported	*adjusted**	*reported*	*adjusted**
NET SALES	$3,395	$ 3,395	$3,493	$ 3,493
GROSS PROFIT MARGIN	44.5 %	44.5 %	45.5 %	45.7 %(2)
INCOME FROM OPERATIONS	$ 674	$ 683	$ 724	$ 729 (3)
OPERATING PROFIT MARGIN	19.9 %	20.1 %	20.7 %	20.9 %(3)
NET INCOME	$ 410	$ 434	$ 459	$ 464 (4)
NET INCOME PER SHARE — DILUTED	$ 1.54	$ 1.62	$ 1.75	$ 1.77 (4)
DIVIDENDS PER SHARE	$ 0.67	$ 0.67	$ 0.71	$ 0.71
YEAR-END STOCK PRICE	$42.44	$ 42.44	$ 44.19	$ 44.19

2016 Key Financial Results

On February 7, 2017, the Company declared a 7% increase in its quarterly dividend from $0.1775 per share to $0.19 per share.

- Worldwide net sales increased 2.9%.
- Organic sales increased 3.2%.(1)
- Adjusted gross profit margin increased 120 basis points to 45.7%.
- Adjusted operating profit margin increased 80 basis points to 20.9%.
- Net cash from operations increased to a record level of $655 million.
- Adjusted earnings per share increased 9.3%.

Net sales

(in millions of dollars)

Earnings per share

(in dollars)

For additional information, see Management's Discussion and Analysis of Financial Condition and Results of Operations included in the Company's Annual Report on Form 10-K for the year ended December 31, 2016.

*This annual report includes non-GAAP financial measures, including adjusted income from operations, adjusted operating profit margin, adjusted net income, adjusted EPS, organic sales, and free cash flow, which differ from reported results using Generally Accepted Accounting Principles (GAAP).

(1) The reference to 3.2% organic net sales growth in 2016 reflects the following adjustments to the 2.9% reported net sales growth: foreign currency exchange fluctuations 0.9% and divestitures 0.3% partially offset by acquisitions (0.9%).
(2) Adjusted gross profit margin in 2016 excludes a $4.9 million (pre and post-tax) plant impairment charge at the Company's Brazilian subsidiary
(3) Adjusted income from operations in 2016 excludes a $4.9 million (pre and post-tax) plant impairment charge at the Company's Brazilian subsidiary, 2015 excludes an $8.9 million pre-tax pension settlement charge
(4) Adjusted Net Income and adjusted EPS in 2016 exclude the plant impairment charge at the Company's Brazilian subsidiary ($4.9 million or $0.02 per share), 2015 excludes the after tax impact of the pension charge ($6.7 million or $0.03 per share) and the Natronx impairment charge ($17 million or $0.06 per share).

CORPORATE INFORMATION

The combination of the core ARM & HAMMER brand and the other nine power brands make Church & Dwight one of the leading consumer packaged goods companies in the United States.

Church & Dwight., Inc., founded in 1846, is the leading U.S. producer of sodium bicarbonate, popularly known as baking soda, a natural product that cleans, deodorized, leavens and buffers. The Company's ARM & HAMMER brand is one of the nation's most trusted trademarks for a broad range of consumer and specialty products developed from the base of bicarbonate and related technologies.

Church & Dwight's consumer products business is organized into two segments: Consumer Domestic, which encompasses both household and personal care products, and Consumer International, which primarily consists of personal care products. The Company has ten key brands representing approximately 80% of its consumer sales. These "power brands" include ARM & HAMMER, TROJAN, OXICLEAN, SPINBRUSH, FIRST RESPONSE, NAIR, ORAJEL, XTRA, L'IL CRITTERS/VITAFUSION and BATISTE. About 40% of the Company's domestic consumer products are sold under the ARM & HAMMER brand name such as ARM & HAMMER liquid and powder laundry detergent, ARM & HAMMER cat litter, ARM & HAMMER dental care and ARM & HAMMER baking soda. The remaining nine power brands have been added to the Company's portfolio since 2001 through several acquisitions.

The combination of the core ARM & HAMMER brand and the other nine power brands make Church & Dwight one of the leading consumer packaged goods companies in the United States. Church & Dwight's third business segment is Specialty Products. This business is a leader in animal productivity and bulk sodium bicarbonate.

Growth Driven by 10 Power Brands

ARM & HAMMER
More aisles in the grocery store than any other brand; A&H products are in 86% of U.S. households in America

OXICLEAN
#1 Laundry Additive Brand

FIRST RESPONSE
#1 Branded Pregnancy Kit

ORAJEL
#1 Oral Care Pain Relief Brand

XTRA
#1 Extreme Value Laundry Detergent

TROJAN
#1 Condom Brand

SPINBRUSH
#1 Battery Powered Toothbrush Brand

NAIR
#1 Depilatory Brand

BATISTE
#1 Dry Shampoo

L'IL CRITTERS & VITAFUSION
#1 Gummy Brands for Kids and Adults

Based on AC Nielsen 52 weeks ending 12/19/16 All-Outlet

Matthew T. Farrell
President and
Chief Executive Officer

Richard A. Dierker
Executive Vice President &
Chief Financial Officer

Patrick D. de Maynadier, Esq.
Executive Vice President,
General Counsel &
Secretary

Dear Fellow Stockholder,

I am pleased to report that we delivered another successful year of net sales and earnings growth in 2016: (1)

- Reported net sales were $3,493.1 million, a 2.9% increase over the previous year.
- Organic sales increased 3.2% driven by 3.1% revenue growth in our Consumer Domestic business and stellar 10.0% revenue growth in our Consumer International business.
- Adjusted gross margin increased 120 basis points to 45.7% due to lower commodity costs, productivity programs and the impact of higher margin acquired businesses.
- Adjusted EPS was $1.77 per share, a 9% increase.
- We generated $655.3 million of cash from operating activities and invested $49.8 million in capital expenditures resulting in free cash flow of $605.5 million.

These results positively impacted the measure that matters most to our stockholders—Total Shareholder Return (TSR)—which reflects the combination of stock price appreciation and dividends. We manage Church & Dwight with the goal of delivering strong TSR to you and will continue to focus on this goal in 2017 and beyond.

(1) The following discussion of the Company's results includes non-GAAP financial measures, including organic sales, adjusted EPS, free cash flow, adjusted gross margin, currency neutral net sales, and currency neutral operating profit, which differ from reported results using Generally Accepted Accounting Principles (GAAP), and exclude impairment charges, currency fluctuations and certain other items in 2015 and 2016. A reconciliation between the reported results (GAAP) and results excluding these items, including a description of such items is available on pages 6-7 of this annual report.

In 2016, we achieved a TSR of 5.7%. Over the past decade, we delivered an annual TSR of 16.8%, significantly better than the 4.7% TSR of the S&P 500 stock index during the same period. In dollar terms, if you invested $1,000 each on January 1, 2007 in Church & Dwight stock and the S&P 500 stock index, the Church & Dwight investment was worth $4,700 on December 31, 2016, whereas the S&P 500 investment was worth only $1,600. That significant difference in return reflects our dedication to an evergreen business model and an understanding of the drivers of success.

Our TSR is the result of the following key drivers

We deliver strong TSR by focusing on the following key drivers that are the "secret sauce" to our success:

(1) Diversified Product Portfolio

Church & Dwight's diverse consumer product portfolio, consisting of both premium (60%) and value (40%) brands, enables us to succeed in various economic environments. We believe no other consumer packaged goods (CPG) company has such a well-balanced portfolio of both premium and value brands. We are maintaining strong marketing spending and launching innovative new products to support our premium brands and deliver increased sales and profits through higher market share. At the same time, we continue to build consumer loyalty to our value brands through a steady stream of appealing new products. We aim to continue to leverage our product portfolio to drive continuous strong earnings growth in the ever-changing economic environment.

(2) Build Power Brand Shares

While we sell over 80 brands, 10 of these brands generate over 80% of our revenues and profits. These 10 brands, which we call our "Power Brands," are ARM & HAMMER, TROJAN, OXICLEAN, VMS (L'IL CRITTERS and VITAFUSION), XTRA, FIRST RESPONSE, SPINBRUSH, ORAJEL, NAIR, and BATISTE. All 10 Power Brands are market leaders. In 2016, our business teams did an outstanding job in driving revenue and profit growth through innovative new products, increased marketing spending and superb sales execution.

(3) Drive International Growth

Over the past 15 years, we have transformed ourselves from an almost totally U.S. business to a global player with approximately 15% of our sales in foreign countries. We have fully operational subsidiaries in 6 countries (U.K., France, Canada, Mexico, Australia and Brazil) and export to over 80 other countries. Our Consumer International team has delivered outstanding growth over the past 6 years. Excluding FX translation, currency neutral Net Sales increases averaging 7.2% annually and currency neutral Operating Profit increases averaging 8.5% annually.

(4) Focus on Gross Margin

Gross margin expansion fuels our organic growth because it enables us to increase marketing spending. Our gross margin grew by 120 basis points in 2016. In 2017, we expect to expand gross margin and to build upon the 1,640 basis point gross margin increase achieved between 2001 and 2016. Driving higher gross margin through productivity improvements, launching higher margin new products and buying margin accretive businesses continue to be our formula for the future.

(5) Growth through Acquisitions

Church & Dwight has a competency in targeting, acquiring, and integrating brands and businesses. In a world where seven out of 10 acquisitions do not create value, we have a superior track record in making accretive acquisitions. We adhere to clear acquisition guidelines and we quickly integrate acquisitions to leverage our existing capital base in manufacturing, logistics and purchasing. We acquired nine of our 10 current Power Brands over the past 15 years.

In December 2016, the Company acquired the ANUSOL and RECTINOL brands for $130 million. These are the #1 or #2 hemorrhoid care brands mainly sold in the U.K., Canada, Australia and South Africa with 2016 annual sales of $24 million. The acquisition adds scale to our growing international division. In January 2017, the Company acquired the VIVISCAL business for $160 million. VIVISCAL is the #1 non-drug hair care supplement brand mainly sold in the U.S. and the U.K. with annual 2016 sales of $44 million. This brand is complementary to the Company's global BATISTE dry shampoo and TOPPIK hair care business. We are always on the hunt to acquire good brands and we have the financial capacity to execute acquisitions that fit our guidelines.

(6) "BEST IN CLASS" Free Cash Flow Conversion

In 2016, our annual free cash flow was $605.5 million with an adjusted free cash flow conversion rate of 131%. This reflects excellent working capital management by our financial and supply chain teams and has enabled us to lead the CPG industry by consistently converting over 100% of net income into free cash flow (free cash flow conversion). Over the next 3 years, we anticipate that we will generate over $1.8 billion in free cash flow. This will enable us to aggressively pursue acquisitions, make capital investments to continue to support the profitable growth of our existing businesses, and return cash to our stockholders. We increased our annual dividend by 7% in 2017 to maintain our 40% payout ratio (dividends divided by adjusted net income). We have paid a quarterly dividend for 116 consecutive years.

(7) Superior Overhead Management

Maintaining tight controls on our overhead costs has been a hallmark of Church & Dwight. Since 2006, we have lowered our overhead costs as a percentage of revenue from 15.0% to 12.6%. As a result, we believe we have one of the highest revenue per employee of any major CPG company. And, our management team "walks the talk" on this issue as, unlike some other companies, we do not have perks like company cars, company planes, or country club memberships.

(8) Simple Incentive Compensation

At Church & Dwight, we embrace the power of simplicity. This is evident in our simple incentive compensation plan. Our bonuses are tied directly to what we believe are 4 equally-weighted key drivers of TSR: net sales growth, gross margin expansion, EPS growth, and operating cash flow generation. Our equity compensation consists predominantly of stock options that are valuable only when the value of your investment rises, too. And our senior management team is required to maintain a significant investment in our stock in order to be closely aligned with our stockholders.

Evergreen Business Model

Our long-term mission is to maintain our track record of delivering outstanding TSR. Our long-term business model for delivering superior returns is based on what we call our "evergreen business model" reflecting annual organic revenue growth of approximately 3%, +25 basis points of gross margin expansion, reduction of overhead costs by 25 basis points, and operating margin improvement of 50 basis points resulting in sustained annual earnings per share growth of approximately 8%, excluding the effect of acquisitions.

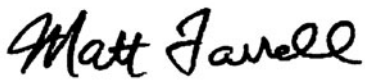
Outlook

Despite an improving macro environment, we expect the CPG environment to continue to be challenging in 2017. We believe that we will deliver 7% adjusted EPS growth in 2017 through continued focus on the 8 key areas that contributed to our outstanding TSR results over the past 10 years.

In order to achieve our 2017 EPS goal, we expect to achieve organic sales growth of approximately 3%, expand gross margin by approximately 60 basis points, increase marketing spending by 10 basis points as a percentage of net revenue and increase adjusted overhead costs by 10 basis points to produce 40 basis points of operating margin expansion. We expect these results to deliver a 7% increase in adjusted EPS in 2017. We believe that organic sales growth will be driven by innovation and strong marketing in support of our 10 Power Brands. We expect the gross margin expansion to come from a significant number of cost savings programs and margin accretive acquisitions.

I would like to thank all of the employees of Church & Dwight for, once again, delivering excellent business results despite a difficult business environment. Their willingness to work hard to constantly find solutions to grow our revenues, lower our costs and provide outstanding service to our customers and products to consumers is the backbone of our great Company.

Sincerely,



MATTHEW T. FARRELL
President and Chief Executive Officer
February 7, 2017

Non-GAAP Measures:

The following discussion addresses the non-GAAP measures used in this annual report and reconciliations of these non-GAAP measures to the most directly comparable GAAP measures. These non-GAAP financial measures should not be considered in isolation from or as a substitute for the comparable GAAP measures. The following non-GAAP measures may not be the same as similar measures provided by other companies due to differences in methods of calculation and items and events being excluded.

Organic Sales Growth:

This annual report provides information regarding organic sales growth, namely net sales growth excluding the effect of acquisitions and foreign exchange rate changes. Management believes that the presentation of organic sales growth is useful to investors because it enables them to assess, on a consistent basis, sales trends related to products that were marketed by the Company during the entirety of relevant periods, excluding the impact of acquisitions and excluding foreign exchange rate changes that are out of the control of, and do not reflect the performance of, the Company and management.

Adjusted Gross Margin:

This annual report provides information regarding adjusted gross margin, namely gross margin excluding the effect of charges taken in 2016 and expected to be taken in 2017 related to the Brazilian Specialty Products business. We believe that excluding these charges from gross margin provides a useful measure of the Company's ongoing operating performance and a more effective comparison to prior periods by excluding significant one-time events.

Adjusted SG&A:

This annual report presents information regarding adjusted SG&A, namely selling, general and administrative expenses excluding settlement charges related to our Canadian pension in 2015 and expected to be taken in 2017 related to the Brazilian Specialty Products business and an expected settlement charge related to our U.K. pension. We believe that this metric enhances investors' understanding of the Company's year over year expenses by excluding certain significant one-time items.

Adjusted Operating Income and Margin:

This annual report provides information regarding adjusted operating income and margin, which exclude the effect of charges taken in 2016 and expected to be taken in 2017 related to the Brazilian Specialty Products business and an expected settlement charge related to our U.K. pension. We believe that excluding these charges from operating income and margin provides a useful measure of the Company's ongoing operating performance and a more effective comparison to prior periods by excluding significant one-time events.

Adjusted EPS:

This annual report also presents adjusted EPS, namely, earnings per share calculated in accordance with GAAP, as adjusted to exclude significant one-time items that are not indicative of the Company's period to period performance. We believe that this metric provides investors a useful perspective of underlying business trends and results and provides useful supplemental information regarding our year over year earnings per share growth. Forecasted adjusted EPS for 2017 excludes charges related to the Brazilian Specialty Products business and the settlement charges related to our U.K. pension, as well as the positive impact from the implementation of a new stock option accounting standard. Adjusted EPS for 2016 excludes charges related to the Brazilian Specialty Products business and adjusted EPS for 2015 excludes a settlement charge related to our Canadian pension and an impairment charge related to our Natronx joint venture.

Free Cash Flow:

Free cash flow is defined as cash from operating activities less capital expenditures. Management views free cash flow as an important measure because it is one factor in determining the amount of cash available for dividends and discretionary investment.

Adjusted Free Cash Flow as Percentage of Adjusted Net Income:

Adjusted free cash flow as percentage of adjusted net income is defined as the ratio of free cash flow to net income excluding the Brazilian Specialty Products business charge. Management views this as a measure of how effective the Company manages its cash flow relating to working capital and capital expenditures.

Reported vs. Adjusted Condensed Statement of Income

(Amounts in Millions Except Per Share Amounts)	Twelve Months ended December 31, 2016		Twelve Months ended December 31, 2015	
	reported	*adjusted**	*reported*	*adjusted**
NET SALES	$3,493.1	$3,493.1	$3,394.8	$3,394.8
GROSS PROFIT	$1,590.6	$1,595.5(1)	$1,511.8	$1,511.8
% OF SALES	45.5%	45.7%	44.5%	44.5%
MARKETING EXPENSES	427.2	427.2	417.5	417.5
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	439.2	439.2	420.1	411.2(2)
OPERATING PROFIT	724.2	729.1	674.2	683.1
% OF SALES	20.7%	20.9%	19.9%	20.1%
OTHER INCOME/(EXPENSE)	(18.3)	(18.3)	(38.8)	(21.8)(3)
INCOME BEFORE TAXES	705.9	710.8	635.4	661.3
INCOME TAXES	246.9	246.9	225.0	227.3
TAX RATE	35.0%	34.7%	35.4%	34.4%
NET INCOME	$ 459.0	$ 463.9	$ 410.4	$ 434.0
DILUTED EPS	$ 1.75	$ 1.77	$ 1.54	$ 1.62

(1) Excludes charge of $4.9 million (approximately $0.02 per share) related to the Brazilian business (2) Excludes settlement charge of $8.9 million (approximately $0.03 per share) related to Canadian pension
(3) Excludes impairment Charge of $17.0 million (approximately $0.06 per share) related to Natronx joint venture

2016 Organic Sales Reconciliation

	Twelve Months Ended 12/31/2016				
	Total Company	*Worldwide Consumer*	*Consumer Domestic*	*Consumer International*	*Specialty Products*
REPORTED SALES GROWTH	2.9%	3.9%	3.7%	4.8%	-7.1%
Less:					
ACQUISITIONS	0.9%	1.0%	0.8%	1.6%	0.0%
Add:					
FX / OTHER	1.2%	1.3%	0.2%	6.8%	0.5%
ORGANIC SALES GROWTH	3.2%	4.2%	3.1%	10.0%	-6.6%

2016 Adjusted Free Cash Flow as Percentage of Adjusted Net Income

(Dollars in Millions)

CASH FROM OPERATIONS	$ 655.3
CAPITAL EXPENDITURES	$ (49.8)
FREE CASH FLOW	$ 605.5
ADJUSTED NET INCOME	$ 463.9
PERCENTAGE	131%

Forecasted Reported and Adjusted Financial Results

	2016		2017		Change	
	reported	*adjusted**	*reported*	*adjusted**	*reported*	*adjusted**
GROSS MARGIN	45.5%	45.7%(1)	46.2%	46.3%(2)	+70 bps	+60 bps
MARKETING	12.2%	12.2%	12.3%	12.3%	+10 bps	+10 bps
SG&A	12.6%	12.6%	14.4%	12.7%(3)	+180 bps	+10 bps
OPERATING PROFIT MARGIN	20.7%	20.9%	19.5%	21.3%	-120 bps	+40 bps

(1) Excludes charge related to the Brazilian business (2) Excludes charge related to the Brazilian business (3) Excludes settlement charge related to U.K. pension

Reported and Adjusted Forecasted EPS

	2016	2017	Percent Change
REPORTED	$ 1.75	$1.72 - $1.74	-2% TO -1%
CHARGE RELATED TO THE BRAZILIAN BUSINESS	$ 0.02	$ 0.02	
STOCK OPTION ACCOUNTING CHANGE	$ -	$ (0.03)	
U.K. PENSION SETTLEMENT CHARGE	$ -	$ 0.18 - 0.16	
ADJUSTED EPS (NON GAAP)	$ 1.77	$ 1.89	+7%
CURRENCY IMPACT	$ -	$ 0.02	
CURRENCY NEUTRAL EPS (NON GAAP)	$ 1.77	$ 1.91	+8%

Officers & Directors

OFFICERS

Britta B. Bomhard
Executive Vice President and
Chief Marketing Officer

Mark G. Conish
Executive Vice President
Global Operations

Steven P. Cugine
Executive Vice President
International and Global
New Products Innovation

Patrick D. de Maynadier, Esq.
Executive Vice President,
General Counsel and Secretary

Richard A. Dierker
Executive Vice President
and Chief Financial Officer

Matthew T. Farrell
President and
Chief Executive Officer

Paul A. Siracusa, Ph.D.
Executive Vice President
Global Research & Development

Louis H. Tursi, Jr.
Executive Vice President
North America Sales

Judy A. Zagorski
Executive Vice President
Global Human Resources

DIRECTORS

James R. Craigie
Chairman
Retired Chief Executive Officer
Church & Dwight Co., Inc.
Director since 2004

T. Rosie Albright
Retired President
Carter Products Division
Carter-Wallace, Inc.
Director since 2004

Matthew T. Farrell
President and
Chief Executive Officer
Church & Dwight Co., Inc.
Director since 2016

Bradley C. Irwin
President and
Chief Executive Officer
Welch Foods Inc.
Director since 2006

Robert D. LeBlanc
Lead Director
Retired President and
Chief Executive Officer
Handy & Harman
Director since 1998

Penry W. Price
Vice President
Global Sales
Marketing Solutions
LinkedIn Corporation
Director since 2011

Ravichandra K. Saligram
Chief Executive Officer
Ritchie Bros. Auctioneers
Incorporated
Director since 2006

Robert K. Shearer
Retired Senior Vice President
and Chief Financial Officer
VF Corporation
Director since 2008

Janet S. Vergis
Private Equity Advisor
and former CEO
OraPharma, Inc.
Director since 2014

Art Winkleblack
Retired Executive Vice President
and Chief Financial Officer
H.J. Heinz Company
Director since 2008

EMERITUS DIRECTORS

Dwight C. Minton
Chairman Emeritus
Church & Dwight Co., Inc.

PRINCIPAL ACCOUNTING OFFICER

Steven J. Katz
Vice President, Controller
and Chief Accounting Officer

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2016 | **Commission file number 1-10585**

CHURCH & DWIGHT CO., INC.

(Exact name of registrant as specified in its charter)

Delaware	**13-4996950**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

500 Charles Ewing Boulevard, Ewing, N.J. 08628
(Address of principal executive offices)

Registrant's telephone number, including area code: **(609) 806-1200**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Name of each exchange on which registered**
Common Stock, $1 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2016 (the last business day of the registrant's most recently completed second fiscal quarter) was approximately $13.0 billion. For purposes of making this calculation only, the registrant included all directors, executive officers and beneficial owners of more than ten percent of the common stock (the "Common Stock") of Church & Dwight Co., Inc. (the "Company"). The aggregate market value is based on the closing price of such stock on the New York Stock Exchange on June 30, 2016.

As of February 21, 2017, there were 254,632,798 shares of Common Stock outstanding.

Documents Incorporated by Reference

Certain provisions of the registrant's definitive proxy statement to be filed not later than April 30, 2017 are incorporated by reference in Items 10 through 14 of Part III of this Annual Report on Form 10-K (this "Annual Report").

CAUTIONARY NOTE ON FORWARD-LOOKING INFORMATION

This Annual Report contains forward-looking statements, including, among others, statements relating to net sales and earnings growth; gross margin changes; trade and marketing spending; marketing expense as a percentage of net sales; sufficiency of cash flows from operations; earnings per share; the impact of new accounting pronouncements; cost savings programs; consumer demand and spending; the effects of competition; the effect of product mix; volume growth, including the effects of new product launches into new and existing categories; the impact of competitive laundry detergent products, including unit dose laundry detergent; the Company's hedge programs; the impact of foreign exchange and commodity price fluctuations; actual voluntary and expected cash contributions to pension plans; impairments and other charges including the pension settlement charge and asset impairment charges; the Company's investments in joint ventures; the impact of acquisitions and divestitures; capital expenditures; the Company's effective tax rate; the impact of tax audits; tax changes and the lapse of applicable statutes of limitations; the effect of the credit environment on the Company's liquidity and capital resources; the Company's fixed rate debt; compliance with covenants under the Company's debt instruments; the Company's commercial paper program; the Company's current and anticipated future borrowing capacity to meet capital expenditure program costs; and the Company's share repurchase programs; payment of dividends; environmental and regulatory matters; and the availability and adequacy of raw materials, including trona reserves. These statements represent the intentions, plans, expectations and beliefs of the Company, and are based on assumptions that the Company believes are reasonable but may prove to be incorrect. In addition, these statements are subject to risks, uncertainties and other factors, many of which are outside the Company's control and could cause actual results to differ materially from such forward-looking statements. Factors that could cause such differences include a decline in market growth, retailer distribution and consumer demand (as a result of, among other things, political, economic and marketplace conditions and events); unanticipated increases in raw material and energy prices; delays or other problems in manufacturing or distribution; adverse developments affecting the financial condition of major customers and suppliers; competition, including The Procter & Gamble Company's ("P&G") participation in the value laundry detergent category and Henkel AG & Co. KGaA's ("Henkel") entry into the U.S. premium laundry detergent category; Henkel's acquisition of the Sun Products Co., Inc. ("Sun Products"); changes in marketing and promotional spending; growth or declines in various product categories and the impact of customer actions in response to changes in consumer demand and the economy, including increasing shelf space of private label products; consumer and competitor reaction to, and customer acceptance of, new product introductions and features; the Company's ability to maintain product quality and characteristics at a level acceptable to our customers and consumers; disruptions in the banking system and financial markets; foreign currency exchange rate fluctuations; implications of the United Kingdom's withdrawal from the European Union; transition to, and shifting trade or economic policies under the new presidential administration in the United States; issues relating to the Company's information technology and controls; the impact of natural disasters on the Company and its customers and suppliers, including third party information technology service providers; the acquisition or divestiture of assets; the outcome of contingencies, including litigation, pending regulatory proceedings and environmental matters; and changes in the regulatory environment.

For a description of additional factors that could cause actual results to differ materially from the forward looking statements, please see Item 1A, "Risk Factors" in this Annual Report.

The Company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the United States federal securities laws. You are advised, however, to consult any further disclosures the Company makes on related subjects in its filings with the United States Securities and Exchange Commission (the "Commission").

All applicable amounts in the consolidated financial statements and related disclosure included in this annual report have been retroactively adjusted to reflect the Company's two for one stock split effected September 1, 2016.

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PART I

ITEM 1. BUSINESS

GENERAL

The Company, founded in 1846, develops, manufactures and markets a broad range of household, personal care and specialty products. The Company sells its consumer products under a variety of brands through a broad distribution platform that includes supermarkets, mass merchandisers, wholesale clubs, drugstores, convenience stores, home stores, dollar, pet and other specialty stores and websites, all of which sell the products to consumers. The Company also sells specialty products to industrial customers and distributors.

The Company focuses its consumer products marketing efforts principally on its ten "power brands." These well-recognized brand names include ARM & HAMMER, used in multiple product categories such as baking soda, cat litter, carpet deodorization and laundry detergent; TROJAN condoms, lubricants and vibrators; OXICLEAN stain removers, cleaning solutions, laundry detergents, dishwashing detergent and bleach alternatives; SPINBRUSH battery-operated and manual toothbrushes; FIRST RESPONSE home pregnancy and ovulation test kits; NAIR depilatories; ORAJEL oral analgesic; XTRA laundry detergent; the combination of the L'IL CRITTERS and VITAFUSION brand names for the Company's gummy dietary supplement business and BATISTE dry shampoo.

The Company's business is divided into three primary segments: Consumer Domestic, Consumer International and Specialty Products Division ("SPD"). The Consumer Domestic segment includes the power brands noted previously as well as other household and personal care products such as KABOOM cleaning products, ARRID antiperspirant, CLOSE-UP and AIM toothpastes and SIMPLY SALINE nasal saline moisturizer. The Consumer International segment primarily sells a variety of personal care products, some of which use the same brands as the Company's domestic product lines, in international markets, including Canada, Europe, Australia, Mexico and Brazil. The SPD segment has a growing global animal productivity business with more than a dozen products designed to help improve the productivity and wellness of animals in animal agriculture. The segment is also the largest United States ("U.S.") producer of sodium bicarbonate, which it sells together with other specialty inorganic chemicals for a variety of industrial, institutional, medical, and specialty cleaning applications. In 2016, the Consumer Domestic, Consumer International and SPD segments represented approximately 77%, 15% and 8%, respectively, of the Company's net sales.

All domestic brand "rankings" contained in this Annual Report are based on dollar share rankings from ACNielsen AOC (All Outlets Combined) for the 52 weeks ended December 17, 2016. Foreign brand "rankings" are derived from several sources.

FINANCIAL INFORMATION ABOUT SEGMENTS

As noted above, the Company's business is organized into three reportable segments: Consumer Domestic, Consumer International and SPD. These segments are based on differences in the nature of products and organizational and ownership structures. The businesses of these segments generally are not seasonal, although the Consumer Domestic and Consumer International segments are affected by sales of SPINBRUSH battery-operated toothbrushes (which typically are higher during the fall, in advance of the holiday season), sales of NAIR depilatories and waxes (which typically are higher in the spring and summer months), and sales of VITAFUSION and L'IL CRITTERS dietary supplements (which typically are slightly higher in the fourth quarter of each year, in advance of the cold and flu season and renewed commitments to health). Information concerning each of the segments is set forth in Note 16 to the consolidated financial statements included in this Annual Report and in "Management's Discussion and Analysis of Financial Condition and Results of Operations," which is Item 7 of this Annual Report.

CONSUMER PRODUCTS

Consumer Domestic

Principal Products

The Company's founders first marketed baking soda in 1846 for use in home baking. Today, this product has a wide variety of uses in the home, including as a refrigerator and freezer deodorizer, scratch-free cleaner and deodorizer for kitchen surfaces and cooking appliances, bath additive, dentifrice, cat litter deodorizer and swimming pool pH stabilizer. The Company specializes in baking soda-based products, as well as other products which use the same raw materials or technology or are sold in the same markets. In addition, this segment includes other deodorizing and household cleaning products, as well as laundry and personal care products. The following table sets forth the principal products of the Company's Consumer Domestic segment.

Type of Product	Key Brand Names
Household	ARM & HAMMER Baking Soda ARM & HAMMER Carpet Deodorizers ARM & HAMMER Cat Litter Deodorizer ARM & HAMMER Clumping Cat Litters (including CLUMP & SEAL) ARM & HAMMER Powder, Liquid and Unit Dose Laundry Detergents ARM & HAMMER Super Washing Soda ARM & HAMMER FRESH'N SOFT Fabric Softeners CLEAN SHOWER Daily Shower Cleaner FELINE PINE Cat Litter KABOOM Cleaning Products NICE'N FLUFFY Fabric Softeners ORANGE GLO Cleaning Products OXICLEAN Dishwashing Detergent and Dishwashing Booster OXICLEAN Laundry and Cleaning Solutions SCRUB FREE Bathroom Cleaners XTRA Fabric Softeners XTRA Powder and Liquid Laundry Detergents
Personal Care	AIM Toothpaste ARM & HAMMER Deodorants and Antiperspirants ARM & HAMMER Toothpaste and Oral Rinses (including TRULY RADIANT) ARRID Antiperspirants BATISTE Dry Shampoo CLOSE-UP Toothpaste FIRST RESPONSE Home Pregnancy and Ovulation Test Kits L'IL CRITTERS Dietary Supplements NAIR Depilatories, Lotions, Creams and Waxes ORAJEL Oral Analgesics PEPSODENT Toothpaste REPHRESH Feminine Hygiene Product REPLENS Feminine Hygiene Product SIMPLY SALINE Nasal Saline Moisturizer SPINBRUSH Battery-operated Toothbrushes SPINBRUSH Manual Toothbrushes TOPPIK Hair Building Fibers TROJAN Condoms, Lubricants and Vibrating Products VIVISCAL Non-drug Hair Growth Supplement VITAFUSION Dietary Supplements

Household Products

In 2016, household products constituted approximately 60% of the Company's Domestic Consumer sales and approximately 46% of the Company's consolidated net sales.

The ARM & HAMMER trademark was adopted in 1867. ARM & HAMMER Baking Soda remains the number one leading brand of baking soda in terms of consumer recognition of the brand name and reputation for quality and value. The deodorizing properties of baking soda have led to the development of several baking soda-based household products. For example, the Company markets ARM & HAMMER FRIDGE FRESH, a refrigerator deodorizer equipped with a baking soda filter to help keep food tasting fresher, and ARM & HAMMER Carpet Deodorizer.

The Company's laundry detergents constitute its largest consumer business, measured by net sales. The Company markets its ARM & HAMMER brand laundry detergents in powder, liquid and unit dose forms as value products, priced at a discount from products identified by the Company as market leaders. The Company markets ARM & HAMMER PLUS OXICLEAN Odor Blasters liquid laundry detergent, ARM & HAMMER CLEAN SCENTSATIONS a line of laundry scent boosters inspired by U.S. National Parks, and ARM & HAMMER BioEnzyme Power unit dose laundry detergent. The Company markets its XTRA laundry detergent in liquid, powder and single dose forms at a slightly lower price than ARM & HAMMER brand laundry detergents. The Company also markets XTRA LASTING SCENTSATIONS and XTRA FRESCO SCENTSATIONS, a line of highly fragranced and concentrated liquid laundry detergents, and OXICLEAN laundry detergent and stain fighting additives. OXICLEAN is the number one brand in the U.S. laundry stain fighting additive market. The Company markets ARM & HAMMER PLUS OXICLEAN liquid and powder laundry detergents, combining the benefits of these two powerful laundry detergent products, including, ARM & HAMMER PLUS OXICLEAN Ultra Power liquid detergent, an ultra-concentrated version of ARM & HAMMER PLUS OXICLEAN , and OXICLEAN Power Paks. The Company also markets OXICLEAN laundry detergent, a premium-priced line of liquid, powder and unit dose laundry detergents, OXICLEAN WHITE REVIVE laundry detergent, OXICLEAN versatile stain remover plus Odor Blasters and OXICLEAN washing machine cleaner. In 2016, the Company introduced ARM & HAMMER BioEnzyme Power liquid, ARM & HAMMER Tropical Paradise Scent Booster and OXICLEAN Max Force Foam laundry stain re mover. In 2017, the Company has launched ARM & HAMMER plus OXICLEAN Stain fighters Triple Chamber unit dose laundry detergent.

The Company's laundry products also include fabric softener sheets that prevent static cling and soften and freshen clothes. The Company markets ARM & HAMMER FRESH'N SOFT fabric softeners and offers a liquid fabric softener, NICE'N FLUFFY, at a slightly lower price enabling the Company to compete at several price points.

The Company also markets a line of cat litter products, including ARM & HAMMER CLUMP & SEAL clumping cat litter, ARM & HAMMER CLUMP & SEAL lightweight cat litter, ARM & HAMMER SUPER SCOOP clumping cat litter and ARM & HAMMER ULTRA LAST, a longer lasting clumping cat litter. Other products include ARM & HAMMER Multi-Cat cat litter, designed for households with more than one cat, ARM & HAMMER ESSENTIALS clumping cat litter, a corn-based scoopable litter made for consumers who prefer to use products made with natural ingredients and ARM & HAMMER Double Duty cat litter, which eliminates both urine and feces odors on contact. The Company markets FELINE PINE in the natural litter segment, complementing the Company's ARM & HAMMER branded cat litter business and positioning the Company as a leading supplier of natural cat litter. In 2016, the Company launched ARM & HAMMER CLUMP & SEAL MICROGUARD, which seals and destroys immediate odors and prevents future bacterial odors. In 2017, the Company has launched ARM & HAMMER CLUMP & SEAL SLIDE cat litter, which slides out of the litter box for easy cleaning.

In addition, the Company markets a line of household cleaning products including CLEAN SHOWER daily shower cleaner and SCRUB FREE bathroom cleaners. The Company also markets KABOOM bathroom

cleaners, ORANGE GLO household cleaning products, and OXICLEAN Dishwashing Booster, which removes cloudy film and food particles on glasses and dishes. In 2016, the Company launched KABOOM Plus Disinfex bathroom surface cleaner.

Personal Care Products

The Company's personal care business was founded on the unique strengths of its ARM & HAMMER trademark and baking soda technology. The Company has expanded its personal care business through its acquisition of antiperspirants, oral care products, depilatories, reproductive health products, oral analgesics, nasal saline moisturizers and dietary supplements under a variety of other leading brand names. In 2016, Personal Care Products constituted approximately 40% of the Company's Consumer Domestic sales and approximately 31% of the Company's total sales.

ARM & HAMMER Baking Soda, when used as a dentifrice, helps whiten and polish teeth, removes plaque and leaves the mouth feeling fresh and clean. These properties led to the development of a complete line of sodium bicarbonate-based dentifrice products that are marketed and sold nationally primarily under the ARM & HAMMER DENTAL CARE, ARM & HAMMER SENSITIVE, ARM & HAMMER ADVANCE WHITE and ARM & HAMMER TRULY RADIANT brand names. The Company also manufactures in the U.S. and markets in the U.S. (including Puerto Rico) and Canada CLOSE-UP, PEPSODENT and AIM toothpastes, which are priced at a discount from the market leaders.

The Company markets and sells ARRID and ARM & HAMMER antiperspirants and deodorants in the U.S and Mexico. The ARM & HAMMER brand was the third fastest growing antiperspirant brand, in the U. S., in 2016 behind the success of ARM & HAMMER Essentials line-extension, introduced in 2014. In 2017, the Company has launched a new ARM & HAMMER Essentials fragrance (Clean).

Condoms are recognized as highly reliable contraceptives as well as an effective means of reducing the risk of sexually transmitted diseases. The Company's TROJAN condom brand is the number one condom brand in the U.S., and has been in use for 100 years. The brand includes such products as ECSTASY, TROJAN EXTENDED PLEASURE, HER PLEASURE, BARESKIN, MAGNUM, TROJAN DOUBLE ECSTACY, TROJAN MAGNUM RIBBED, TROJAN STUDDED BARESKIN, MAGNUM BARESKIN and TROJAN Vibrations, a line of vibrating products. The Company also markets a line of lubrication products under the TROJAN brand such as TROJAN H2O and TROJAN TONIGHT. In 2016, the Company launched the TROJAN GROOVE condom, TROJAN DIVINE Massager, TROJAN 2-1 Vibrating Ring and TROJAN RIVIERA lubricant. In 2017, the Company plans to launch XOXO by TROJAN, an upscale, discrete condom targeting both men and women with a soft touch, aloe lubricated latex in a unique portable carrying case.

The Company markets SPINBRUSH battery-operated toothbrushes in the U.S. (including Puerto Rico), the United Kingdom, Canada, France, China and Australia. The SPINBRUSH battery-operated toothbrush was the number one leading brand of battery-operated toothbrushes in the U.S. in 2016. The Company markets SPINBRUSH PROCLEAN and SPINBRUSH TRULY RADIANT toothbrushes, featuring a two-speed patented brush head design leading to superior plaque removal versus manual brushes, SPINBRUSH PROCLEAN Recharge, a rechargeable toothbrush offering up to one week of power brushes between charges, SPINBRUSH PROCLEAN Sonic, a value high speed battery-operated toothbrush which competes with much more expensive "sonic" toothbrushes, ARM & HAMMER SPINBRUSH manual toothbrushes with rotating heads and SPINBRUSH KIDS featuring top licensed characters from partner s like NICKELODEON, DISNEY, MARVEL and HASBRO. In 2016, the Company introduced ARM & HAMMER SPINBRUSH TRULY RADIANT Clean & Fresh, building off of the success of TRULY RADIANT from 2014 and 2015. In 2017, the Company entered the slim vibrating toothbrush segment with ARM & HAMMER SPINBRUSH Sonic Pulse. Building on our successful partnership with NICKELODEON and the PAW PATROL franchise, ARM & HAMMER SPINBRUSH KIDS has launched a SHIMMER & SHINE battery toothbrush to continue growth on the children's vibrating toothbrush business.

The Company markets home pregnancy and ovulation test kits. Its FIRST RESPONSE brand of diagnostic kits is the number one selling brand in the U.S. and includes an enhanced FIRST RESPONSE pregnancy test kit that can tell a woman that she is pregnant up to six days before her expected period, with 99% accuracy from the day of her missed period.

The Company's NAIR hair-removal brand is the number one selling depilatory brand in the U.S., with innovative products that address consumer needs for quick, complete and longer-lasting hair removal. The Company offers a full line of depilatory products for women and men under the NAIR brand name, including SHOWER POWER, SPRAYS AWAY, and the Moroccan Argan Oil line of depilatories and waxes. In 2016, the Company launched NAIR NOURISH SHOWER POWER, SPRAYS AWAY depilatories with Japanese Cherry Blossom and 100% Natural Rice Bran Oil and NAIR Wax Ready-strips for Face and Body, with no warming or rubbing required and results that last up to eight weeks. In 2017, the Company has launched NAIR Skin Renewal depilatories with grape seed oil and antioxidant-rich resveratrol. To help grow the NAIR wax business, the Company also launched NAIR Wax Bikini Pro Kit, a microwaveable stripless wax that is effective on coarse bikini hair and helps reduce pain while waxing.

The Company markets ORAJEL oral analgesics and oral care products which includes products for both adults and children. The ORAJEL brand remains the market leader in the toothache, canker sore, and children's teething categories in the U.S. and continues to grow its presence in the children's toothpaste and cold sore categories. In 2016, the Company strengthened its positioning within the cold sore segment by introducing new ORAJEL Moisturelock Cold Sore Treatment that treats six symptoms of cold sores and by re-launching its ORAJEL Touch-Free Cold Sore Treatment which provides pain relief via convenient, touch-free application. In 2017 the Company has launched a new ORAJEL Toothache Rinse to provide toothache sufferers non-numbing pain relief. The Company is also furthering its partnership with NICKELODEON and following its successful PAW PATROL toothpaste launch with a new SHIMMER & SHINE toothpaste.

The Company markets the L'IL CRITTERS children's gummy dietary supplement line and the VITAFUSION adult gummy dietary supplement line, both number one leading brands in their respective categories. The Company markets VITAFUSION Extra Strength line extensions, FIRST RESPONSE reproductive health dietary supplements and L'IL CRITTERS dietary supplement line of licensed characters (Barbie and Super Mario) under those brands. The Company also markets a line of probiotics under the ACCUFLORA brand name, a line of probiotics and gummy supplements under the NUTRITION NOW brand name and private label gummy dietary supplements. In 2016, the Company launched L'IL CRITTERS Despicable Me dietary supplement, and a line of nutritional beauty-inspired supplements including VITAFUSION Gorgeous Hair, Skin & Nails, VITAFUSION Beauty Sleep and VITAFUSION Relaxed Mood. In 2017, the Company will launch a new VITAFUSION energy variant that supports everyday energy needs and alertness.

The Company markets a growing number of hair care products, including BATISTE dry shampoo, a significantly growing brand as distribution, category awareness and trial continues to increase. In 2017, the Company has launched BATISTE Bare, a low-fragrance variant and purse-size offerings of top-selling color dry shampoos, BATISTE Divine Dark and BATISTE Brilliant Blonde. The Company also markets TOPPIK Hair Building Fibers and other hair cosmetics under the TOPPIK brand name, the number one leading brand of cosmetics for thinning hair. The Company also markets a line of hair cosmetics for salon professionals under the XFUSION brand name. On January 17, 2017, the Company acquired the VIVISCAL brand (the "Viviscal Acquisition") from Life2good Holdings Limited for $160 million. VIVISCAL is the number one non-drug hair growth supplement in the U.S. and the United Kingdom.

The Company markets the SIMPLY SALINE brand of nasal saline moisturizers in the U.S., complementing the Company's STERIMAR brand nasal saline solution business in Europe and other parts of the world.

Consumer International

The Consumer International segment markets a variety of personal care products, household and over-the-counter products in international markets, including Canada, France, Australia, China, the United Kingdom, Mexico and Brazil. Export sales from the U.S. are included in this segment.

Total Consumer International net sales represented approximately 15% of the Company's consolidated net sales in 2016. Net sales of the businesses located in Europe, Canada, Mexico and Australia accounted for 35%, 32%, 10% and 10%, respectively, of the Company's 2016 international net sales in this segment. No other country in which the Company operates accounts for more than 10% of its total international net sales and no product line accounts for more than 20% of total international net sales.

Certain of the Company's international product lines are similar to its domestic product lines and many are unique. For example, the Company markets its ARM & HAMMER and OXICLEAN laundry products and TROJAN condoms in Canada and Mexico, ARM & HAMMER cat litter in Canada, home pregnancy and ovulation test kits and oral care products in most of its international markets, waxes and depilatory products in virtually all international locations and L'IL CRITTERS and VITAFUSION gummy dietary supplements principally in Canada and Asia.

The Company also markets SPINBRUSH battery-operated toothbrushes internationally, primarily in the United Kingdom, Canada, France, China and Australia. The Company sells STERIMAR nasal hygiene products in a number of markets in Europe, as well as in Mexico, parts of Asia and Australia and other international markets. The Company also sells BATISTE dry shampoo principally in the United Kingdom, where it is the number one selling dry shampoo, Australia, Canada, France, Brazil, China and Mexico, as well as other markets including the U.S. The Company also markets the CURASH line of babycare products in Australia, and GRAVOL anti-nauseant and RUB-A535 topical analgesic in Canada and other international markets.

On December 22, 2016, the Company acquired the ANUSOL and RECTINOL businesses from Johnson & Johnson, Inc. ("Johnson & Johnson") for $130 (the "Anusol Acquisition"). These are the number one or number two hemorrhoid care brands in each market in which they operate primarily in the United Kingdom, Canada, Australia and South Africa.

COMPETITION FOR CONSUMER DOMESTIC AND CONSUMER INTERNATIONAL

The Company competes in the household and personal care consumer product categories, which are highly innovative categories, characterized by a continuous flow of new products and line extensions, and require significant advertising and promotion. The Company competes in these categories primarily on the basis of product innovation and performance, brand recognition, price, value and other consumer benefits. Consumer products, particularly laundry and household cleaning products, as well as certain toothpaste products, are subject to significant price competition. As a result, the Company from time to time may need to reduce the prices for some of its products to respond to competitive and customer pressures and to maintain market share.

Internationally, the Company competes in similar competitive categories for most of its products.

The Company's competitors include P&G, The Clorox Company, Colgate-Palmolive Company, S.C. Johnson & Son, Inc., Nestle Purina PetCare Company, Henkel, Reckitt Benckiser Group plc, Johnson & Johnson, Ansell Limited, Pfizer Inc., Bayer AG, Alere Inc., NBTY, Inc. and Pharmavite LLC. Many of these companies have greater financial resources than the Company and have the capacity to outspend the Company if they attempt to gain market share. In 2016, Henkel acquired Sun Products, making Henkel the second leading laundry detergent company in the U.S.

Product introductions typically involve heavy marketing and trade spending in the year of launch, and the Company usually is not able to determine whether the new products and line extensions will be successful until a period of time has elapsed following the introduction of the new products or the extension of the product line.

Because of the competitive environment facing retailers, the Company faces pricing pressure from customers, particularly high-volume retailer store customers, who have increasingly sought to obtain pricing concessions or better trade terms. These concessions or terms could reduce the Company's margins. Furthermore, if the Company is unable to maintain price or trade terms acceptable to its customers, they could increase product purchases from competitors and reduce purchases from the Company, which would harm the Company's sales and profitability.

DISTRIBUTION FOR CONSUMER DOMESTIC

Products in the Consumer Domestic segment are marketed throughout the U.S. primarily through a broad distribution platform that includes supermarkets, mass merchandisers, wholesale clubs, drugstores, convenience stores, home stores, dollar, pet and other specialty stores, and websites, all of which sell the products to consumers. The Company employs a sales force based regionally throughout the U.S. and utilizes the services of independent food brokers, who represent the Company's products in the food, mass, pet, dollar and club, as well as numerous other classes of trade. The Company's products are stored in Company plants and third-party owned warehouses and are either delivered by independent trucking companies or picked up by customers at the Company's facilities.

DISTRIBUTION FOR CONSUMER INTERNATIONAL

Products in the Consumer International segment are sold broadly across retail platforms that include supermarkets, wholesale clubs, pharmacies and drugstores, convenience stores, discount stores and websites, all of which sell the products to consumers. The Company's Consumer International distribution network is well-established and varies according to the needs of each market. Subsidiary countries primarily utilize internal warehousing and distribution capabilities that enable direct shipment to key retailers. Export markets primarily rely upon third party suppliers to market, warehouse and distribute products to end customers.

Specialty Products Division

Principal Products

The Company's SPD segment focuses on sales to businesses and participates in three product areas: Animal Productivity, Specialty Chemicals and Specialty Cleaners, and accounted for approximately 8% of the Company's consolidated net sales in 2016. The following table sets forth the principal products of the Company's SPD segment.

Type of Product	Key Brand Names
Animal Productivity	ARM & HAMMER Feed Grade Sodium Bicarbonate BIO-CHLOR and FERMENTEN Rumen Fermentation Enhancers DCAD PLUS Feed Grade Potassium Carbonate(1) MEGALAC Rumen Bypass Fat(2) ESSENTIOM Omega 3 & Omega 6 Essential Fatty Acids MEGAMINE-L, Rumen Bypass Lysine SQ-810 Natural Sodium Sesquicarbonate CELMANAX Refined Functional Carbohydrate
Specialty Chemicals	ARM & HAMMER Performance Grade Sodium Bicarbonate ARMAND PRODUCTS COMPANY Potassium Carbonate and Potassium Bicarbonate(3)
Specialty Cleaners	ARMAKLEEN Commercial & Professional Aqueous Cleaners(4) ARMEX Blast Media(4) Commercial & Professional Cleaners and Deodorizers

(1) Manufactured for the Company by Armand Products Company ("Armand").

(2) MEGALAC is a registered trademark of Volac International Limited.
(3) Manufactured and marketed by Armand, a joint venture in which the Company holds a 50% interest.
(4) Distributed in North America by The ArmaKleen Company ("ArmaKleen"), a joint venture in which the Company holds a 50% ownership interest.

Animal Productivity Products

The Company markets a special grade of sodium bicarbonate and sodium sesquicarbonate to the animal feed market as a feed additive for use by the dairy industry as a buffer, or antacid, for dairy cattle. The Company also markets DCAD PLUS feed grade potassium carbonate, which is manufactured by Armand as a feed additive into the animal feed market.

The Company markets MEGALAC rumen bypass fat, a nutritional supplement made from natural oils, which enables cows to maintain energy levels during the period of high milk production, resulting in improved milk yields and minimized weight loss. The MEGALAC product and the trademark are licensed under a long-term license agreement from Volac International Limited, a British Company.

The Company also markets BIO-CHLOR and FERMENTEN, a range of specialty feed ingredients for dairy cows, which improve rumen feed efficiency and help increase milk production.

The Company manufactures CELMANAX Refined Functional Carbohydrate and other feed additives for cows, beef cattle, poultry and other livestock for sale in domestic and international markets and used to promote livestock digestive health and performance.

Specialty Chemicals

The Company's specialty chemicals business primarily encompasses the manufacture, marketing and sale of sodium bicarbonate in a range of grades and granulations for use in industrial markets. In industrial markets, sodium bicarbonate is used by other manufacturing companies as a leavening agent for commercial baked goods, as an antacid in pharmaceuticals, as a carbon dioxide release agent in fire extinguishers, as an alkaline agent in swimming pool chemicals, and as a buffer in kidney dialysis.

The Company's Brazilian subsidiary, Quimica Geral do Nordeste ("QGN"), markets sodium bicarbonate in Brazil and is South America's leading provider of sodium bicarbonate. During fourth quarter of 2016, the Company decided to sell its Brazilian chemical business to focus on its Brazilian consumer business, resulting in a plant impairment charge of $4.9 recognized in the fourth quarter of 2016 based upon an anticipated selling price. During the first quarter of 2017, the Company signed an agreement to sell the business, resulting in an approximate $5.0 expense for severance and other charges. Sales for the Brazilian chemical business in 2016 were approximately $22.0. The Company anticipates the transaction to close during the first quarter.

The Company and Occidental Chemical Corporation are equal partners in a joint venture, Armand, which manufactures and markets potassium carbonate and potassium bicarbonate for sale in domestic and international markets. The potassium-based products are used in a wide variety of applications, including agricultural products, specialty glass and ceramics, and potassium silicates. Armand also manufactures for the Company a potassium carbonate-based animal feed additive for sale in the dairy industry, described above under "Animal Productivity Products."

Specialty Cleaners

The Company also provides a line of cleaning and deodorizing products for use in commercial and industrial applications such as office buildings, hotels, restaurants and other facilities.

The Company and Safety-Kleen Systems, Inc. ("Safety-Kleen") are equal partners in a joint venture, ArmaKleen, which has built a specialty cleaning products business based on the Company's technology and Safety-Kleen's sales and distribution organization. In North America, this joint venture distributes the Company's proprietary product line of aqueous cleaners along with the Company's ARMEX blast media line, which is designed for the removal of a wide variety of surface coatings.

COMPETITION FOR SPD

Competition within the specialty chemicals and animal productivity product lines is intense. The specialty chemicals business operates in a competitive environment influenced by capacity utilization, customers' leverage and the impact of raw material and energy costs. Product introductions typically involve introductory costs in the year of launch, and the Company usually is not able to determine whether new products and line extensions will be successful until a period of time has elapsed following the introduction of new products or the extension of the product lines. The Company's key competitors are Archer Daniel Midland Co, Diamond V, Lallemand Inc., Solvay Chemicals, Inc., Tronox USA Holdings, Inc. and Natural Soda, Inc.

DISTRIBUTION FOR SPD

SPD markets sodium bicarbonate and other chemicals to industrial and agricultural customers primarily throughout the U.S. and Canada. Distribution is accomplished through a dedicated sales force supplemented by manufacturers' representatives and the sales personnel of independent distributors throughout the country. The Company's products in this segment are located in Company plants and public warehouses and are either delivered by independent trucking companies or picked up by customers at the Company's facilities.

RAW MATERIALS AND SOURCES OF SUPPLY

The Company manufactures sodium bicarbonate for both its consumer and specialty products businesses at its plants located at Green River, Wyoming and Old Fort, Ohio. The primary source of soda ash, a basic raw material used by the Company in the production of sodium bicarbonate, is the mineral trona, which is found in abundance in southwestern Wyoming near the Company's Green River plant. The Company has adequate trona reserves under mineral leases to support the Company's sodium bicarbonate requirements for the foreseeable future.

The Company is party to a partnership agreement with Tata Chemicals (Soda Ash) Partners, which mines and processes trona reserves in Wyoming. Through the partnership and related supply and services agreements, the Company fulfills a substantial amount of its soda ash requirements, enabling the Company to achieve some of the economies of an integrated business capable of producing sodium bicarbonate and related products from the basic raw material. The Company also has an agreement for the supply of soda ash from another company. The partnership agreement and other supply agreements between the Company and Tata Chemicals (Soda Ash) Partners are terminable upon two years notice by either company. The Company believes that sufficient alternative sources of soda ash supply are available.

The Company believes that ample sources of raw materials are available for all of its other major products. Detergent chemicals are used in a variety of the Company's products and are available from a number of sources. Bottles, paper products and clay are available from multiple suppliers, although the Company chooses to source most of these materials from single sources under long-term supply agreements in order to gain favorable pricing. The Company also uses a palm oil fraction (by-product) in a number of products including, its rumen bypass fats products. Alternative sources of supply are available in case of disruption or termination of the supply agreements.

The cost of raw materials, including surfactants, diesel fuel and oil based raw and packaging materials used primarily in the Company's consumer businesses, were lower in 2016 relative to 2015, reducing the Company's

core commodity costs. Increases in the prices of certain raw materials could materially impact the Company's costs and financial results if the Company is unable to pass such costs along in the form of price increases to its customers.

The Company utilizes the services of third party contract manufacturers around the world for certain products.

PATENTS AND TRADEMARKS

The Company's trademarks appear in upper case letters throughout this Annual Report. The majority of the Company's trademarks are registered with either the U.S. Patent and Trademark Office or with the trademark offices of many foreign countries. The ARM & HAMMER trademark has been used by the Company since 1867, and is a valuable asset and important to the successful operation of the Company's business. The Company's products are sold under many other valuable trademarks held by the Company, including TROJAN, NAIR, ORAJEL, FIRST RESPONSE, XTRA, OXICLEAN, SPINBRUSH, BATISTE, SIMPLY SALINE, L'IL CRITTERS and VITAFUSION. The Company's portfolio of trademarks represents substantial goodwill in the businesses using the trademarks.

U.S. patents are currently granted for a term of 20 years from the date the patent application is filed. Although the Company actively seeks and maintains a number of patents, no single patent is considered significant to the business as a whole.

CUSTOMERS AND ORDER BACKLOG

In each of the years ended December 31, 2016, 2015, and 2014, net sales to the Company's largest customer, Wal-Mart Stores, Inc. and its affiliates ("Wal-Mart"), were 24%, 24% and 25% respectively, of the Company's consolidated net sales. No other customer accounted for 10% or more of consolidated net sales in the three-year period. The time between receipt of orders and shipment is generally short, and as a result, backlog is not significant.

RESEARCH & DEVELOPMENT

The Company conducts research and development activities primarily at its Princeton facility in New Jersey. The Company devotes significant resources and attention to product development, process technology and basic research to develop differentiated products with new and distinctive features and to provide increased convenience and value to its customers. To increase its innovative capabilities, the Company engages outside contractors for general research and development in activities beyond its core areas of expertise. The Company spent $63.2 million, $64.7 million and $59.8 million on research and development activities in 2016, 2015 and 2014, respectively.

GOVERNMENT REGULATION

General

Some of the Company's products are subject to regulation by one or more U.S. agencies, including the U.S. Food and Drug Administration ("FDA"), the Environmental Protection Agency ("EPA"), the Federal Trade Commission ("FTC"), the Consumer Product Safety Commission ("CPSC") and foreign agencies.

FDA regulations govern a variety of matters relating to the Company's products, such as product development, manufacturing, premarket clearance or approval, advertising and distribution. The regulations adopted and standards imposed by the FDA and similar foreign agencies evolve over time and can require the Company to make changes in its manufacturing processes and quality systems to remain in compliance. These

agencies periodically inspect manufacturing and other facilities. If the Company fails to comply with applicable regulations and standards, it may be subject to sanctions, including fines and penalties, the recall of products and cessation of manufacturing and/or distribution.

In addition, the Company sells products that are subject to regulation under the Federal Insecticide, Fungicide and Rodenticide Act and the Toxic Substances Control Act, both of which are administered by the EPA. The Company also is subject to regulation by the FTC in connection with the content of its labeling, advertising, promotion, trade practices and other matters.

The CPSC administers the Poison Prevention Packaging Act, and has issued regulations requiring special child resistant packaging for certain products, including pharmaceuticals, dietary supplements, and dietary substances, containing certain ingredients (e.g., iron).

The Company's relationship with certain union employees may be overseen by the National Labor Relations Board. The Company's activities also are regulated by various agencies of the countries, states, provinces and other localities in which the Company sells its products.

Medical Device Clearance and Approval

To be commercially distributed in the U.S., a medical device must, unless exempt, receive clearance or approval from the FDA pursuant to the Federal Food, Drug, and Cosmetic Act ("FDCA"). Lower risk devices are categorized as either class I or II devices. For class II devices, the manufacturer must generally submit a premarket notification requesting clearance for commercial distribution known as a "510(k)" clearance. The Company's condoms, lubricants, contact lens solution, wound wash and home pregnancy test kits are regulated as class II devices. Some low risk devices, including SPINBRUSH and other battery powered toothbrushes, are in class I and are generally exempted from the 510(k) requirement. To obtain 510(k) clearance, a device must be determined to be substantially equivalent in intended use and in safety and effectiveness to a benchmark device, or "predicate" that is already legally in commercial distribution. Any modification to a 510(k) cleared device that could significantly affect its safety or effectiveness, or that would constitute a change in its intended use, generally requires a new 510(k) clearance. A manufacturer may determine that a new 510(k) clearance is not required, but if the FDA disagrees, it may retroactively require a 510(k) clearance and may require the manufacturer to cease marketing or recall the modified device until 510(k) clearance is obtained.

Medical Device Postmarket Regulation

After a medical device is commercialized, numerous regulatory requirements apply, including:

- the quality system regulation, which imposes FDA current Good Manufacturing Practice ("cGMP") requirements governing the methods used in, and the facilities and controls used for, the design, manufacture, packaging, servicing, labeling, storage, installation, and distribution of all finished medical devices intended for human use;
- labeling regulations, including a prohibition on product promotion for unapproved or "off label" uses;
- the medical device reporting regulation requiring a manufacturer to report to the FDA if its device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur; and
- the reports of corrections and removals regulation, which requires a manufacturer to report recalls and field actions to the FDA if initiated to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health.

OTC Pharmaceutical

The Company markets over-the-counter ("OTC") pharmaceutical products, such as toothpaste, antiperspirant, and oral analgesics products, that are also subject to FDA and foreign regulation. Under the U.S. OTC monograph system, selected OTC pharmaceutical products are generally recognized as safe and effective and do not require the submission and approval of a new drug application. The FDA OTC monographs include well-known ingredients and specify requirements for permitted indications, required warnings and precautions, allowable combinations of ingredients and dosage levels. Pharmaceutical products marketed under the OTC monograph system must conform to specific quality, formula and labeling requirements.

All facilities where OTC pharmaceutical products are manufactured, tested, packaged, stored or distributed must comply with cGMP regulations and/or regulations promulgated by competent authorities in the countries where the facilities are located. All of the Company's pharmaceutical products are manufactured, tested, packaged, stored and distributed according to cGMP regulations. The FDA performs periodic audits to ensure that the Company's facilities remain in compliance with all appropriate regulations. The failure of a facility to be in compliance may lead to a breach of representations made to customers or to regulatory action against the Company related to the products made in that facility, such as seizure, injunction or recall. Serious product quality concerns could also result in governmental actions against the Company that, among other things, could result in the suspension of production or distribution of the Company's products, product seizures, loss of certain licenses or other governmental penalties, and could have a material adverse effect on the Company's financial condition or operating results. The manufacturer, packer, or distributor of an OTC pharmaceutical product marketed in the U.S. whose name appears on the label of such product is required to report serious adverse events associated with the use of the product.

The Company cannot predict whether new legislation regulating the Company's activities will be enacted or what effect any legislation would have on the Company's business.

Food Products

The Company markets baking soda and animal feed products, such as rumen fermentation enhancers and Dietary Cation-Anion Difference ("DCAD") balancers that are also subject to FDA and foreign regulation. In 2011, the Food Safety Modernization Act ("FSMA") was enacted, changing the ways in which food and animal feed products are regulated. Under the provisions of the FSMA, the emphasis shifted from compliant products to mandatory preventive controls including hazard analysis, risk controls, supplier qualifications and controls and increased record keeping. FSMA grants the FDA the authority to require mandatory recalls for products under certain conditions. The FDA is currently in the process of establishing rules and guidance to implement the provisions of FSMA. The potential impact of these rules and applicable guidance cannot be determined at this time.

Dietary Supplements

The processing, formulation, safety, manufacturing, packaging, labeling, advertising, distribution, importing, selling, and storing of dietary supplements are subject to regulation by one or more federal agencies, including the FDA, the FTC, the CPSC, the EPA, and by various agencies of the states and localities in which the Company's products are sold. The FDCA governs the composition, safety, labeling, manufacturing and marketing of dietary supplements.

Generally, dietary ingredients that were marketed in the U.S. prior to October 15, 1994 may be used in dietary supplements without notifying the FDA. "New" dietary ingredients (*i.e.* dietary ingredients that were not marketed in the U.S. before October 15, 1994) must be the subject of a new dietary ingredient notification submitted to the FDA at least 75 days before the initial marketing unless the ingredient has been present in the food supply as an article used for food without being chemically altered. A new dietary ingredient notification

must provide evidence of a history of use or other evidence establishing that use of the dietary ingredient is reasonably expected to be safe. The FDA may determine that a new dietary ingredient notification does not provide an adequate basis to conclude that a dietary ingredient is reasonably expected to be safe. Such a determination could effectively prevent the marketing of the dietary ingredient. On July 5, 2011, the FDA issued draft guidance governing notification of new dietary ingredients. The draft guidance was issued for public comment and not for implementation. To date the FDA has not taken any further steps towards implementing the guidance. The guidance, if implemented, could effectively change the status of dietary ingredients that the industry has marketed as "old" dietary ingredients to "new" dietary ingredients that may require submission of a new dietary ingredient notification.

The FDCA permits "statements of nutritional support" to be included in labeling for dietary supplements without FDA pre-market approval. The FDA must be notified of those statements within 30 days of marketing. Among other things, the statements may describe the role of a dietary ingredient intended to affect the structure or function of the body or characterize the documented mechanism of action by which a dietary ingredient maintains such structure or function, but may not expressly or implicitly represent that a dietary supplement will diagnose, cure, mitigate, treat, or prevent a disease. A company that uses a statement of nutritional support in labeling must possess information substantiating that the statement is truthful and not misleading. If the FDA determines that a particular statement of nutritional support is an unacceptable drug claim or an unauthorized version of a health claim, or if the FDA determines that a particular claim is not adequately supported by existing scientific evidence or is otherwise false or misleading, the claim could not be used and any product bearing the claim could be subject to regulatory action.

The FDA's cGMP regulations govern the manufacturing, packaging, labeling and holding operations of dietary supplement manufacturers. As with OTC products, the FDA performs periodic audits to ensure that the Company's dietary supplement facilities remain in compliance with all appropriate regulations. The failure of a facility to be in compliance may lead to a breach of representation made to customers or to regulatory action against the Company related to the products made in that facility, seizure, injunction or recall. There remains considerable uncertainty with respect to the FDA's interpretation of the cGMP regulations and their actual implementation in manufacturing facilities. The failure of a manufacturing facility to comply with the cGMP regulations may render products manufactured in that facility adulterated, and subjects those products and the manufacturer to a variety of potential FDA enforcement actions. In addition, under recent amendments to the FDCA, the manufacturing of dietary ingredients contained in dietary supplements will be subject to similar or even more burdensome requirements, which may increase the costs of dietary ingredients and subject suppliers of such ingredients to more rigorous inspections and enforcement. The manufacturer, packer, or distributor of a dietary supplement marketed in the U.S. whose name appears on the label of the supplement is required to report serious adverse events associated with the use of that supplement to the FDA.

The FTC exercises jurisdiction over the advertising of dietary supplements. The FTC considers whether a product's advertising claims are accurate, truthful and not misleading pursuant to its authority under the Federal Trade Commission Act, or FTC Act. The FTC has instituted numerous enforcement actions against dietary supplement companies for failure to adequately substantiate claims made in advertising or for the use of otherwise false or misleading advertising claims. These enforcement actions have resulted in consent decrees and the payment of civil penalties and/or restitution by the companies involved. Such actions can result in substantial financial penalties and significantly restrict the marketing of a dietary supplement.

Additional legislation may be introduced which, if passed, would impose substantial new regulatory requirements on dietary supplements. The effect of additional domestic or international governmental legislation, regulations, or administrative orders, if and when promulgated, cannot be determined. New legislation or regulations may require the reformulation of certain products to meet new standards, and require the recall or discontinuance of certain products not capable of reformulation.

ENVIRONMENTAL MATTERS

The Company's operations are subject to federal, state, local and foreign laws, rules and regulations relating to environmental concerns including air emissions, wastewater discharges, solid and hazardous waste management activities, and the safety of its employees. The Company endeavors to take actions necessary to comply with such regulations. These steps include periodic environmental and health and safety audits of Company facilities. The audits, conducted by independent firms with expertise in environmental, health and safety compliance, include site visits at each location, as well as, a review of documentary information, to determine compliance with such federal, state, local and foreign laws, rules and regulations.

GEOGRAPHIC AREAS

Approximately 84%, 83% and 81% of the Company's consolidated net sales in 2016, 2015 and 2014, respectively, were to customers in the U.S. Approximately 98%, 96% and 96% of the Company's long-lived assets were located in the U.S. at December 31, 2016, 2015 and 2014, respectively. Other than the U.S., no one country accounts for more than 5% of consolidated net sales or 5% of total assets.

EMPLOYEES

At December 31, 2016, the Company had approximately 4,500 employees. The Company is party to a labor contract with the International Machinists Union at its Colonial Heights, Virginia plant, which expires May 31, 2018. Internationally, the Company employs union employees in France, Mexico, Brazil and New Zealand. The Company believes that its relations with both its union and non-union employees are satisfactory.

CLASSES OF SIMILAR PRODUCTS

The Company's operations, exclusive of unconsolidated entities, constitute three reportable segments: Consumer Domestic, Consumer International and SPD. The table set forth below shows the percentage of the Company's net sales contributed by each group of similar products marketed by the Company during 2016, 2015 and 2014.

	% of Net Sales		
	2016	2015	2014
Consumer Domestic			
Household Products	46%	45%	45%
Personal Care Products	31%	31%	30%
Consumer International	15%	15%	16%
Specialty Products	8%	9%	9%

PUBLIC INFORMATION

The Company maintains a website at www.churchdwight.com and on the "Investors—Financial Information—SEC Filings" page of reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after the Company electronically files these materials with, or furnishes them to, the Commission. Also available on the "Investors—Corporate Governance" page on the Company's website are the Company's Corporate Governance Guidelines, charters for the Audit, Compensation & Organization and Governance & Nominating Committees of the Company's Board of Directors (the "Board") and the Company's Code of Conduct. Each of the foregoing is also available in print free of charge and may be obtained upon written request to: Church & Dwight Co., Inc., 500 Charles Ewing Boulevard, Ewing, New Jersey 08628, attention: Secretary. The information presented on the Company's website is not a part of this Annual Report and the reference to the Company's website is intended to be an inactive textual reference only.

ITEM 1A. RISK FACTORS

The following risks and uncertainties, as well as other factors described elsewhere in this Annual Report or in other filings by the Company with the Commission, could materially adversely affect the Company's business, results of operations and financial condition:

- **Unfavorable economic conditions could adversely affect demand for the Company's products.**

Unfavorable and uncertain economic conditions have adversely affected, and in the future may adversely affect, demand for some of the categories of products the Company sells, resulting in reduced sales volume or market share or a shift in its product mix from higher margin to lower margin products. Factors that can affect demand include competitors' products, advertising and pricing actions, rates of unemployment, consumer confidence, health care costs, including increased costs as a result of recent or future changes in federal regulations, commodity costs, fuel and other energy costs and other economic factors affecting consumer spending behavior, including delays in the timing of tax refunds from the federal government, gasoline and home heating oil pricing, reduced unemployment benefits in periods of high unemployment and tax increases. While the vast majority of the Company's products are consumer staples that generally are less vulnerable to decreases in discretionary spending than other products, they may become subject to increasing price competition. Additionally, some of the Company's products, such as laundry additives, gummy dietary supplements and battery-operated toothbrushes, are more likely to be affected by consumer decisions to control spending. For example, recent deflation in dairy products, primarily milk, has adversely affected sales of our animal productivity products. Although we experienced a slight increase in demand for dairy products in the later part of 2016, the demand for dairy products may decline in the future and sales growth in that category may decline as a result.

Some of the Company's customers, including mass merchandisers, supermarkets, drugstores, convenience stores, wholesale clubs, home stores, and dollar, pet and other specialty stores, have experienced and may experience in the future declining financial performance, which could affect their ability to pay amounts due to the Company on a timely basis or at all. The Company regularly reviews the financial strength of its key customers and, where appropriate, modifies customer credit limits, which may have an adverse impact on future sales. Because the same economic conditions that affect the Company also affect many of the Company's suppliers, the Company regularly conducts a similar review of its suppliers to assess both their financial viability and the importance of their products to the Company's operations. When appropriate, the Company identifies alternate sources of materials and services. To date, the Company has not experienced a material adverse impact from economic conditions affecting its customers or suppliers. However, a protracted economic downturn that adversely affects the Company's suppliers and customers could adversely affect its sales and results of operations.

- **The Company faces intense competition in its markets, and the failure to compete effectively could have a material adverse effect on its business, financial condition and results of operations.**

The Company faces increasingly intense competition from consumer products companies, both in the U.S. and in international markets. Most of the Company's products compete with other widely-advertised brands within each product category and with private label brands and generic non-branded products of its customers in certain categories, which typically are sold at lower prices.

The Company's products generally compete on the basis of performance, brand recognition, price, value or other benefits to consumers. Consumer products are subject to significant price competition. As a result, the Company may need to reduce the prices for some of its products, or increase prices by an amount that does not cover manufacturing cost increases, to respond to competitive and customer pressures and to maintain market share. Any reduction in prices, or inability to raise prices sufficiently to cover manufacturing cost increases, would harm profit margins. In addition, if the Company's sales volumes fail to grow sufficiently to offset any reduction in margins, its sales growth and other results of operations would suffer.

Advertising, promotion, merchandising and packaging also have a significant impact on retail customer decisions regarding the brands and product lines they sell and on consumer purchasing decisions. A newly introduced consumer product (whether improved or newly developed) usually encounters intense competition requiring substantial expenditures for advertising, sales promotion and trade merchandising. If a product gains consumer acceptance, it normally requires continued advertising, promotional support and product improvements to maintain its relative market position. If the Company's advertising, marketing and promotional programs are not effective, its sales growth may decline.

Many of the Company's competitors are large companies, including P&G, The Clorox Company, Colgate-Palmolive Company, Henkel, Reckitt Benckiser Group plc, Johnson & Johnson, Nestle Purina PetCare Company, Ansell Limited, Alere Inc., Pfizer Inc., Bayer AG, S.C. Johnson & Son, Inc., Pharmavite LLC and NBTY, Inc. Many of these companies have greater financial resources than does the Company, and, therefore, have the capacity to outspend the Company on advertising and promotional activities and introduce competing products more quickly and respond more effectively to changing business and economic conditions than can the Company. In addition, the Company's competitors may attempt to gain market share by offering products at prices at or below those typically offered by it. Competitive activity may require the Company to increase its spending on advertising and promotions and/or reduce prices, which could lead to reduced profits and adversely affect growth. If the Company loses market share or the markets in which it competes do not grow substantially, its sales growth will decline.

There is significant product and price competition in the laundry detergent category. For example, P&G markets a lower-priced line of laundry detergents, Simply Tide, which competes directly with the Company's core value laundry detergents. P&G has significantly increased its discounting of Simply Tide which could have a broad negative impact on the laundry category pricing and profitability. In addition, in 2016, Henkel entered the premium laundry detergent segment with Persil, its leading worldwide premium laundry detergent and acquired Sun Products, making Henkel the second largest laundry detergent company in the U.S. While it is too early to assess what impact this will have on the Company's laundry detergent business, the introduction of Persil and Henkel's increased scale and market share could precipitate greater price competition in the category and distribution pressure with a potential adverse impact on the Company's laundry detergent business. Additionally, while the category grew 3.3% in 2016 (0.5% in the fourth quarter of 2016) after experiencing growth in 2015 and a decline in 2014, there is no assurance the category will not decline in the future and that the Company will be able to offset any such decline.

- **Loss of any of its principal customers could significantly decrease the Company's sales and profitability.**

A limited number of customers account for a large percentage of the Company's net sales. Wal-Mart is the Company's largest customer, accounting for approximately 24% of net sales in 2016, 24% of net sales in 2015 and 25% of net sales in 2014. The Company's top three customers accounted for approximately 35% of net sales in 2016, 35% of net sales in 2015 and 36% of net sales in 2014. The Company expects that a significant portion of its net sales will continue to be derived from a small number of customers and that these percentages may increase if the growth of mass merchandisers continues. As a result, changes in the strategies of Wal-Mart or any of the Company's other largest customers, including a reduction in the number of brands they carry or of shelf space they dedicate to private label products, could materially harm the Company's net sales and profitability. In addition, if the Company were to lose a significant customer due to customer service levels or real or perceived product quality or appearance issues, this could also have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the Company's business is based primarily upon individual sales orders as it rarely enters into long-term contracts with its customers and most customer agreements include customer termination rights after short notice. Accordingly, these customers could reduce their purchasing levels or cease buying products from

the Company at any time and for any reason. If the Company loses a significant customer or if sales of its products to a significant customer materially decrease, it could have a material adverse effect on the Company's business, financial condition and results of operations.

- **Changes in the policies of the Company's retailer customers and increasing dependence on key retailer customers in developed markets may adversely affect its business.**

In recent years, retailer consolidation both in the U.S. and internationally has increased. This trend has resulted in the increased size and influence of large consolidated retailer customers, who may demand lower pricing, special packaging or impose other requirements on the Company. These business demands may relate to inventory practices, logistics or other aspects of the customer-supplier relationship. Some of the Company's customers, particularly its high-volume retail store customers, have sought to obtain pricing and other concessions and better trade terms. To the extent the Company provides concessions or better trade terms to those customers, its margins are reduced. Further, if the Company is unable to effectively respond to the demands of its customers, these customers could reduce their purchases of Company products and increase their purchases of products from competitors, which would harm the Company's sales and profitability. In addition, reductions in inventory by the Company's customers, including as a result of consolidations in the retail industry, or these customers managing their working capital requirements, could result in reduced orders for Company products and adversely affect its results of operations for the financial periods affected by the reductions.

Protracted unfavorable market conditions have caused many of the Company's customers to more critically analyze the number of brands they sell, and reduce or discontinue certain of the Company's product lines, particularly those products that were not number one or two in their category. If this continues to occur and the Company is unable to improve distribution for those products at other customers, its results could be adversely affected.

In addition, private label products sold by retail trade chains are typically sold at lower prices than branded products. As consumers look for opportunities to decrease discretionary spending, the Company's customers have discontinued or reduced distribution of some of its products to encourage those consumers to purchase the customers' less expensive and, in some cases, more profitable private label products (primarily in the dietary supplements, diagnostic kits and oral analgesics categories). To the extent customers discontinue or reduce distribution of the Company's products or these products are adversely affected by customers' actions to increase shelf space for their private label products, the Company would seek to improve distribution with other customers. However, if the Company's efforts are not effective, its sales growth and other results, as well as its market share, could be adversely affected.

- **A continued shift in the retail market from food and drug stores to club stores, dollar stores and mass merchandisers, internet-based retailers and subscription services could cause the Company's sales to decline.**

The Company's performance depends upon the general health of the economy and of the retail environment in particular, and could be significantly harmed by changes affecting retailing and the financial difficulties of the Company's retailer customers. Consumer products, such as those marketed by the Company, are increasingly being sold by club stores, dollar stores, mass merchandisers and internet-based retailers. Sales of the Company's products remain strongest in the traditional mass merchandiser, food and drug retail stores, and the Company's products are also being sold in club stores and dollar stores channels. Additionally, certain consumer products are now offered through internet-based subscription services or buying clubs. In 2016, Unilever acquired Dollar Shave Club, a subscription-based razor blade company, and in July 2016, P&G launched Tide Wash Club, an online subscription service for its unit-dose laundry detergent. Although the Company has taken steps to improve, and has seen improvement in, sales to club stores, [dollar stores] and internet-based retailers, and is engaged in e-commerce with respect to its TOPPIK and newly acquired VIVISCAL brands, if the current trend continues and the Company is not successful in further improving sales to these channels, its financial condition and operating results could suffer.

- **Market category declines and changes to the Company's product and geographic mix may impact the achievement of the Company's sales growth targets, planned pricing and financial results.**

A significant percentage of the Company's revenues come from mature markets that are subject to high levels of competition. During 2016, approximately 84% of the Company's sales were generated in U.S. markets. U.S. markets for consumer products are considered mature and commonly characterized by high household penetration, particularly with respect to the Company's most significant product categories, such as laundry detergents, deodorizers, household cleaning products, toothpastes, dietary supplements, antiperspirants and deodorants. The Company's ability to achieve unit sales growth in domestic markets will depend on increased use of its products by consumers relative to competitors' products, its ability to drive growth through product innovation in existing and new product categories, investment in its established brands and enhanced merchandising and its ability to capture market share from its competitors. If the Company is unable to increase market share in existing product lines, develop product improvements, undertake sales, marketing and advertising initiatives that expand its product categories and develop, acquire or successfully launch new products, it may not achieve its sales growth objectives. Even if the Company is successful in increasing sales within its product categories, a continuing or accelerating decline in the overall markets for the Company's products could have a negative impact on its financial results.

- **Cost overruns and delays, regulatory requirements, and miscalculations in capacity needs with respect to the Company's expansion projects and manufacturing facilities could adversely affect its business.**

From time to time, the Company initiates expansion projects with respect to its facilities. As is customary with large construction projects, these projects are subject to risks of, and the Company has from time to time experienced, delay or cost overruns resulting from numerous factors, including the following: shortages of equipment, materials or skilled labor; work stoppages; unscheduled delays in the delivery of ordered materials and equipment; unanticipated cost increases; difficulties in obtaining necessary permits or in meeting permit conditions; difficulties in meeting regulatory or quality requirements or obtaining regulatory approvals; availability of suppliers to certify equipment for existing and enhanced regulations; design and engineering problems; and failure or delay of third party service providers, civil unrest and labor disputes. Significant cost overruns or delays in completing a project, or the miscalculations of our anticipated capacity needs could have a material adverse effect on the Company's return on investment, results of operations and cash flows. If the Company were to experience delays or cost overruns in the future it could result in product allocation and retailer frustration, the loss of a significant customer or customers, or if sales of any of its products were to materially decrease due to customer service levels or real or perceived product quality or appearance issues, this could have a material adverse effect on the Company's business, financial condition and results of operations.

Additionally, the supply of the Company's products depends on the uninterrupted efficient operation of its manufacturing facilities and ability to meet customer service levels. Many of the Company's manufacturing processes are complex and present difficult technical challenges to obtain the manufacturing yields necessary to operate profitably. In addition, the Company's manufacturing processes may require complex and specialized equipment which can be expensive to repair or replace with required lead times of up to a year.

The manufacturing of certain of the Company's products is concentrated in one or more of its plants or contract manufacturers, with limited alternate facilities. Any event that negatively impacts manufacturing facilities, manufacturing systems or equipment, or contract manufacturers or suppliers could delay or suspend shipments of products or the release of new products or could result in the delivery of inferior products. The Company's revenues from the affected products would decline and it could incur losses until such time as the Company or its contract manufacturers are able to restore production processes or are able to put in place alternative contract manufacturers or suppliers.

- **The Company's reliance on a limited number of suppliers, including sole source suppliers for certain products, could materially and adversely affect its operations and financial results.**

The Company relies on a limited number of suppliers for certain of its commodities and raw materials, including sole source suppliers for certain of its raw materials, packaging, product components, finished products and other necessary supplies. New suppliers may have to be qualified under governmental, industry and Company standards, which can require additional investment and time. The Company may be unable to qualify any needed new suppliers or maintain supplier arrangements and relationships based on a variety of factors; it may be unable to contract with suppliers at the quantity, quality and price levels needed for its business; certain of its suppliers may not meet the standards of the Company's customers or licensors; or certain of the Company's key suppliers may become insolvent or experience other financial distress. If any of these events occurs and the Company has failed to identify and qualify an alternative vendor, then it may be unable to meet its contractual obligations and customer expectations, which could damage its reputation and result in lost customers and sales, or the Company may incur higher than expected expenses, either of which could materially and adversely affect its business, operations and results of operations.

- **Volatility and increases in the price of raw and packaging materials or energy costs could erode the Company's profit margins, which could harm operating results, and efforts to hedge against raw material price increases may adversely affect the Company's operating results if raw material prices decline.**

The principal raw materials and packaging used by the Company include surfactants (cleaning agents), paper products and resin-based molded components. Volatility and increases in the price of raw materials, or increases in the costs of energy, shipping and other necessary services, could significantly affect the Company's profit margins if it is unable to pass along any higher costs in the form of price increases or otherwise achieve cost efficiencies, such as in manufacturing and distribution. Historically, the Company has attempted to address such price increases through cost reduction programs and price increases of its products, entering into pre-buying or locked-in pricing arrangements with certain suppliers and entering into hedge agreements. There is no assurance, however, that the Company will be able to fully offset any price increases, especially given the competitive environment. In addition, volatility in certain commodity markets could significantly affect the Company's production cost and, therefore, harm its financial condition and operating results.

From time to time, the Company uses hedge agreements to mitigate the volatility of diesel fuel prices. The hedge agreements are designed to add stability to product costs, enabling the Company to make pricing decisions and lessen the economic impact of abrupt changes in prices over the term of the contract. However, in periods of declining fuel prices, the hedge agreements can have the effect of locking the Company in at above-market prices.

- **If new products and product line extensions do not gain widespread customer acceptance or are otherwise discontinued, or if they cause sales of existing products to decline, the Company's financial performance could decline.**

The Company's future performance and growth depends on its ability to successfully identify, develop and introduce new products and product line extensions. The Company cannot be certain that it will achieve its innovation goals. The successful development and introduction of new products involves substantial research, development, marketing and promotional expenditures, which the Company may be unable to recover if the new products do not gain widespread market acceptance. New product development and marketing efforts, including efforts to enter markets or product categories in which the Company has limited or no prior experience, have inherent risks. These risks include product development or launch delays, competitor actions, regulatory approval hurdles and the failure of new products and line extensions to achieve anticipated levels of market acceptance. In addition, if sales generated by new products result in a concomitant decline in sales of existing products, the Company's financial performance could be harmed.

Each year, the Company introduces new products, including launches into new "white space" categories, across the majority of its marketed brands. Historically, new product acceptance has generally been widespread across the retailer base. There is no assurance, however, that the Company's customers and consumers will continue to purchase these new products. If new products are not successful in generating sales growth, the Company's financial results could suffer. From time to time, the Company has discontinued certain products and product lines, which resulted in returns from customers, asset write-offs and shutdown costs. The Company may suffer similar adverse consequences in the future to the extent it discontinues products that do not meet retailer or consumer expectations or no longer satisfy consumer demand.

- **Reduced availability of transportation or disruptions in our transportation network could adversely affect us.**

We distribute our products and receive raw materials and packaging components primarily by truck, rail and ship and through various ports of entry. Reduced availability of trucking, rail or shipping capacity due to adverse weather conditions, allocation of assets to other industries or geographies or otherwise, work stoppages, strikes or shutdowns of ports of entry or such transportation sources, could cause us to incur unanticipated expenses and impair our ability to distribute our products or receive our raw materials or packaging components in a timely manner, which could disrupt our operations, strain our customer relationships and competitive position, and adversely affect our operating profits.

- **If the reputation of one or more of the Company's leading brands erodes, its financial results could suffer.**

The Company's financial success is directly dependent on the reputation and success of its brands, particularly the ARM & HAMMER, OXICLEAN, TROJAN, L'IL CRITTERS and VITAFUSION brands. The effectiveness of these brands could suffer if the Company's marketing plans or product initiatives do not have the desired impact on a brand's image or its ability to attract consumers. Further, the Company's results could be adversely affected if one or more of its other leading brands suffers damage to its reputation due to real or perceived, sustainability, quality or safety issues.

Additionally, claims made in the Company's marketing campaigns may become subject to litigation alleging false advertising, which, if successful, could cause the Company to alter its marketing plans and may materially and adversely affect sales or result in the imposition of significant damages against the Company, or other customer or consumer dissatisfaction, especially if such dissatisfaction were to be broadly disseminated, including through the use of social media.

Widespread use of social media and networking sites by consumers has greatly increased the speed and accessibility of information dissemination. Negative or inaccurate posting or comments about the Company in the media or on any social networking website, or the disclosure of non-public sensitive information through social media, could generate adverse publicity that could damage the reputation of our brands. In addition, given the association of our individual products with the Company, an issue with one of our products could negatively affect the reputation of our other products, or the Company as a whole, thereby potentially adversely impacting the Company's financial results.

- **Product liability claims and withdrawals or recalls could adversely affect the Company's sales and operating results and the reputation of the Company's brands.**

From time to time, the Company is subject to product liability claims. The Company may be required to pay for losses or injuries actually or purportedly caused by its products, including losses or injuries caused by raw materials or other components provided by third party suppliers that are included in the Company's products. Claims could be based on allegations that, among other things, the Company's products contain contaminants, are improperly labeled or designed, or provide inadequate instructions regarding their use or inadequate warnings

concerning interactions with other substances. Whether or not successful, product liability claims could result in negative publicity that could harm the Company's sales and operating results and the reputation of its brands. In addition, if one of the Company's products is found to be defective or non-compliant with applicable rules or regulations, it could be required to withdraw or recall it, which could result in adverse publicity and significant expenses. Although the Company maintains product liability and product recall insurance coverage, potential product liability claims and withdrawal and recall costs may exceed the amount of insurance coverage or may be excluded under the terms of the policy, which could have a material adverse effect on the Company's business, operating results and financial condition.

- **Environmental matters create potential liability risks.**

The Company must comply with various environmental laws and regulations in the jurisdictions in which it operates, including those relating to the handling and disposal of solid and hazardous wastes and the remediation of contamination associated with the use and disposal of hazardous substances. A release of such substances due to accident or an intentional act could result in substantial liability to governmental authorities or to third parties. The Company has incurred, and will continue to incur, capital and operating expenditures and other costs in complying with environmental laws and regulations. It is possible that the Company could become subject to other environmental remediation costs and liabilities in the future that could have a material adverse effect on its results of operations or financial condition.

- **From time to time, the Company is involved in litigation, arbitration or regulatory matters where the outcome is uncertain and which could entail significant expense.**

The Company, in the ordinary course of its business is, and from time to time, may become, the subject of, or party to, various pending or threatened legal actions, government investigations and proceedings, including, without limitation, those relating to, commercial transactions, product liability, purported consumer class actions, employment matters, antitrust, environmental, health, safety and other compliance-related matters. Such proceedings are subject to many uncertainties and the outcome of certain pending or threatened legal actions may not be reasonably predictable and any related damages may not be estimable. Certain pending or future legal actions, for example, the matter described under "Item 3 Legal Proceedings–Scantibodies Laboratory, Inc." below, could result in an adverse outcome for the Company, and any such adverse outcome could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

- **Current and future laws and regulations in the countries in which the Company and its suppliers operate could expose the Company to increased costs and other adverse consequences.**

The manufacturing, processing, formulation (including stability), packaging, labeling, marketing, distribution and sale of the Company's products are subject to regulation by federal agencies, including the FDA, the FTC, the EPA and the CPSC. In addition, the Company's and its suppliers' operations are subject to the oversight of the Occupational Safety and Health Administration and the National Labor Relations Board. The Company's activities are also regulated by various agencies of the states, localities and foreign countries in which its products are sold.

In particular, the FDA regulates the formulation, safety, manufacturing, packaging, labeling and distribution of condoms, home pregnancy and ovulation test kits, battery operated toothbrushes, over-the-counter pharmaceuticals and dietary supplements, including vitamins and minerals. The FDA also exercises oversight over cosmetic products such as depilatories. In addition, under a memorandum of understanding between the FDA and the FTC, the FTC has jurisdiction with regard to the promotion and advertising of these products, and the FTC regulates the promotion and advertising of the Company's other products as well. As part of its regulatory authority, the FDA may periodically conduct inspections of the physical facilities, machinery, processes and procedures that the Company and its suppliers use to manufacture regulated products and may identify compliance issues that would require the Company and its suppliers to make certain changes in its

manufacturing facilities and processes. The failure of a facility to be in compliance may lead to regulatory action against the products made in that facility, including seizure, injunction or recall, as well as to possible action against the owner of the facility/manufacturer. The Company may be required to make additional expenditures to address these issues or possibly stop selling certain products until the compliance issue has been remediated. As a result, the Company's business could be adversely affected.

Likewise, any future determination by the FDA or a similar foreign agency, or by the Company in reviewing its compliance with applicable rules and regulations, that the Company's products or quality systems do not comply with applicable regulations could result in future compliance activities, including product withdrawals or recalls, import detentions, injunctions preventing the shipment of products, or other enforcement actions. For example, the FDA may determine that a particular claim that the Company uses to support the marketing of a product is not substantiated, may not accept the evidence of safety for a new product that the Company may wish to market, may challenge the safety or effectiveness of existing products based on, among other things, changes in formulations, inadequate stability or "shelf-life," consumer complaints, or improper labeling, and may determine that the Company's dietary supplement business manufacturing, packaging, labeling and holding operations do not comply with cGMPs. Similarly, the Company may identify these or other issues in internal compliance reviews of its operations and the operations and products of vendors and acquired companies. These other issues may include the identification of contaminants or non-compliant levels of particular ingredients. Any of the foregoing could subject the Company to adverse publicity, force it to incur unanticipated costs and have a material adverse effect on its business, financial condition and results of operations.

In addition, the Commission has promulgated federally mandated rules regarding disclosure of the use of tin, tantalum, tungsten and gold, known as "conflict minerals", in products manufactured by public companies. Certain of the Company's products, including its diagnostic test kits and SPINBRUSH battery-operated toothbrushes, use these minerals sourced through third parties. The new rules require the Company to conduct due diligence to determine whether such minerals originated from the Democratic Republic of Congo (the DRC) or an adjoining country and whether such minerals helped finance the armed conflict in the DRC. The Company has incurred, and will continue to incur, costs associated with complying with these disclosure requirements, including costs to determine the origin of minerals used in its products. In addition, the implementation of these rules could adversely affect the sourcing, supply and pricing of such minerals used in the Company's products. Also, the Company may face disqualification as a supplier for customers and reputational challenges, or may need to discontinue supply from its suppliers, if its due diligence procedures do not enable it to verify the origins for the minerals used in its products or determine that the minerals are conflict free.

From time to time, Congress, the FDA, the FTC, the Commission or other federal, state, local or foreign legislative and regulatory authorities may impose additional laws or regulations that apply to the Company, repeal laws or regulations that the Company considers favorable, or impose more stringent interpretations of current laws or regulations. The new presidential administration is expected to introduce changes to the administration of federal regulatory agencies, including changes in policy and personnel at the FDA, the FTC and the Commission. The Company is not able to predict the nature of these changes or of such future laws, regulations, repeals or interpretations or to predict the effect additional or shifting governmental regulation, when and if it occurs, would have on its business in the future. Such developments could require reformulation of certain products to meet new standards, recalls or discontinuance of certain products not able to be reformulated, additional record-keeping requirements, increased documentation of the properties of certain products, additional or different labeling, additional scientific substantiation, expanded adverse event reporting or other new requirements. Any such developments could increase the Company's costs significantly and could have a material adverse effect on its business, financial condition and results of operations.

- **The Company is subject to risks related to its international operations that could adversely affect its results of operations.**

The Company's international operations subject it to risks customarily associated with foreign operations, including:

- currency fluctuations;
- import and export license and taxation requirements and restrictions;
- trade restrictions, including local investment or exchange control regulations;
- changes in tariffs and taxes, including changes in trade policies following the recent federal election in the U.S. and geopolitical events generally;
- the effect of foreign income taxes, value-added taxes and withholding taxes, including the inability to recover amounts owed to the Company by foreign governments, and the determination of the U.S. Internal Revenue Service (the "I.R.S.") regarding the applicability of certain regulations, including the Foreign Account Tax Compliance Act, to the Company's international transactions;
- the possibility of a new border adjustment tax by the new presidential administration;
- the possibility of expropriation, confiscatory taxation or price controls;
- obstacles to repatriating foreign profits back to the U.S.;
- political or economic instability, and civil unrest;
- disruptions in the global transportation network, such as work stoppages, strikes or shutdowns of ports of entry or such other transportation sources, or other labor unrest;
- compliance with laws and regulations concerning ethical business practices, including without limitation, the U.S. Foreign Corrupt Practices Act and United Kingdom Bribery Act;
- difficulty in enforcing contractual and intellectual property rights;
- regulatory requirements for certain products;
- difficulties in staffing and managing international operations; and
- changes to the Company's cash contributions or other charges with respect to its pension plans covering certain of its international employees.

In addition, changes as result of the United Kingdom's referendum approved by a majority of votes to exit the European Union could subject the Company to heightened risks in that region, including disruptions to trade and free movement of goods, services and people to and from the United Kingdom, increased foreign exchange volatility with respect to the British pound and additional legal and economic uncertainty. Moreover, following the 2016 U.S. presidential and congressional elections and the related transition to a new presidential administration, there may be shifts in U.S. foreign, trade, economic and other policies that may materially affect our foreign operations and our ability to market our products in certain international markets. All of the foregoing risks could have a significant impact on the Company's ability to commercialize its products on a competitive basis in international markets and may have a material adverse effect on its results of operations or financial position. In all foreign jurisdictions in which the Company operates, it is subject to laws and regulations that govern foreign investment, foreign trade and currency exchange transactions.

- **The Company's business is exposed to domestic and foreign currency fluctuations that could have a material adverse effect on the Company's business, financial condition and results of operations.**

Approximately 16% of the Company's net sales were to customers outside the U.S. in 2016. The Company is exposed to foreign currency exchange rate risk (both transaction and translation) with respect to its sales,

profits, assets and liabilities denominated in currencies other than the U.S. dollar. Outside of the U.S., sales and costs are denominated in a variety of currencies, including the Canadian Dollar, Euro, Pound, Brazilian Real, Mexican Peso, Chinese Yuan and Australian Dollar. A weakening of the currencies in which sales are generated relative to the currencies in which costs are denominated would decrease operating profits and cash flow. Changes in currency exchange rates may also affect the relative prices at which the Company purchases materials and services in foreign markets. Although the Company, from time to time, enters into forward exchange contracts to reduce the impact of foreign exchange rate fluctuations related to anticipated but not yet committed intercompany sales or purchases denominated in the U.S. Dollar, Canadian Dollar, Pound and Euro, foreign currency fluctuations could have a material adverse effect on its business, financial condition and results of operations.

- **The failure of the Company to expand in existing geographic locations or enter new geographic locations could have a material adverse effect on the growth of the Company's business, sales and results of operations.**

The Company's ability to continue to grow its sales and profits is dependent on expanding in the locations in which it already does business and entering into new geographic locations, both of which would require significant resources and investments which would affect the Company's risk profile. The failure to successfully enter into or expand its business in such locations could materially affect the growth of the Company's business, sales and results of operations.

- **The Company may not be able to continue to identify and complete strategic acquisitions and effectively integrate acquired companies to achieve desired financial benefits.**

The Company seeks to acquire or invest in businesses that offer products, services or technologies that are complementary. The Company has made 12 acquisitions in the past 13 years, including the following brands: SPINBRUSH battery-powered toothbrushes; OXICLEAN, KABOOM and ORANGE GLO cleaning products; ORAJEL oral analgesics; SIMPLY SALINE nasal moisturizers; FELINE PINE natural cat litter; BATISTE dry shampoo; L'IL CRITTERS and VITAFUSION dietary supplements; REPHRESH and REPLENS feminine care products; VI- COR, feed ingredients for dairy cows, beef cattle, poultry and other livestock, TOPPIK, a leading brand of hair building fibers for people with thinning hair, in December 2016, ANUSOL and RECTINOL, hemorrhoid products and in January 2017, VIVISCAL, a non-drug hair growth supplement.

The Company may make additional acquisitions or substantial investments in complementary businesses or products in the future. Those acquisitions may be significantly larger than the ones completed in the past and may require the Company to increase its levels of debt, potentially resulting in the Company being assigned a lower credit rating. However, the Company may not be able to identify and successfully negotiate suitable strategic acquisitions at attractive valuations, obtain financing for future acquisitions on satisfactory terms or otherwise complete future acquisitions. In recent periods, competition from other consumer products companies that are seeking similar opportunities has been particularly strong, and valuations for potential acquisition assets have been high, which has placed pressure on the Company's ability to identify, structure and execute transactions. In addition, all acquisitions and investments entail various risks, including the difficulty of entering new markets or product categories, the challenges of integrating the operations and personnel of the acquired businesses or products, the potential disruption of the Company's ongoing business and the ongoing business of the acquired company, the need to review and, if necessary, upgrade processes of the acquired company to conform to the Company's own processes and applicable legal and regulatory requirements, and, generally, the Company's potential inability to obtain the desired financial and strategic benefits from the acquisition or investment. Any of these risks may divert management and other resources, require the Company to incur unanticipated costs or delay the anticipated positive impact on the Company's business and results of the acquisition. The risks associated with assimilation are increased to the extent the Company acquires businesses that have stand-alone operations that cannot easily be integrated or operations or sources of supply outside of the U.S. and Canada, for which products are manufactured locally by third parties. These factors could harm the Company's financial condition and operating results.

Acquired companies or operations or newly-created ventures may not be profitable or may not achieve sales levels and profitability that justify the investments made. In addition, future acquisitions or investments could result in substantial cash expenditures, the potentially dilutive issuances of new equity by the Company or the incurrence of additional debt or contingent liabilities, all of which could adversely affect the Company's results of operations and financial condition. In addition, any potential acquisitions or investments, whether or not ultimately completed, could divert the attention of management and resources from other matters that are critical to the Company's operations.

- **The Company relies significantly on information technology. Any inadequacy, interruption, theft or loss of data, malicious attack, integration failure, failure to maintain the security, confidentiality or privacy of sensitive data residing on our systems or other security failure of that technology could harm the Company's ability to effectively operate its business and damage the reputation of its brands.**

The Company relies extensively on information technology systems, some of which are managed by third-party service providers, to conduct its business. These systems include, but are not limited to, programs and processes relating to internal communications and communications with other parties, ordering and managing materials from suppliers, converting materials to finished products, shipping product to customers, billing customers and receiving and applying payment, processing transactions, summarizing and reporting results of operations, complying with regulatory, legal or tax requirements, collecting and storing customer, consumer, employee, investor, and other stakeholder information and personal data, and other processes necessary to manage the Company's business. In addition, the Company is engaged in e-commerce with respect to its TOPPIK brand and the recently acquired VIVISCAL brand.

Increased information technology security threats and more sophisticated computer crime, including advanced persistent threats, pose a potential risk to the security of the information technology systems, networks, and services of the Company, its customers and other business partners, as well as the confidentiality, availability, and integrity of the data of the Company, its customers and other business partners. As a result, the Company's information technology systems, networks or service providers could be damaged or cease to function properly or the Company could suffer a loss or disclosure of business, personal or stakeholder information, due to any number of causes, including catastrophic events, power outages and security breaches. Although the Company has business continuity plans in place and has implemented a breach response plan to address service interruptions, if these plans do not provide effective alternative processes on a timely basis, the Company may suffer interruptions in its ability to manage or conduct its operations which may adversely affect its business. The Company cannot guarantee that its security efforts will prevent attacks and resulting breaches or breakdowns of the Company's, or its third-party service providers' databases or systems since the techniques used in these attacks change frequently and may be difficult to detect for periods of time. In addition, although we have policies and procedures in place governing the secure storage of personal information collected by the Company or its third-party service providers, data breaches due to human error or intentional or unintentional conduct may occur in the future. The Company may need to expend additional resources in the future to continue to protect against, or to address problems caused by any business interruptions or data security breaches.

Any business interruptions or data security breaches, including cyber security breaches resulting in private data disclosure of personal data, could result in lawsuits or regulatory proceedings, damage the Company's reputation or adversely impact the Company's results of operations and cash flows.

In addition, the Company from time to time needs to upgrade its information technology systems. If a new system does not function properly, it could affect our ability to order supplies, process and deliver customer orders and process and receive payments for our products. This could adversely impact our results of operations and cash flows.

- **The Company's substantial indebtedness and its financial covenants could adversely affect its operations and financial results and prevent it from fulfilling its obligations, and the Company may incur substantially more debt in the future, which could exacerbate these risks.**

As of December 31, 2016, the Company had approximately $1,120 million of total consolidated indebtedness net of debt issuance costs. This amount of indebtedness could have important consequences, including:

- making it more difficult for the Company to satisfy its cash obligations;
- limiting the Company's ability to fund potential acquisitions;
- requiring the Company to dedicate a portion of its cash flow from operations to payments on its indebtedness, which would reduce the availability of cash flow to fund working capital requirements, capital expenditures and other general corporate purposes;
- limiting the Company's flexibility in planning for, or reacting to, general adverse economic conditions or changes in its business and the industry in which it operates; and
- placing the Company at a competitive disadvantage compared to its competitors that have less debt.

Additionally, the Company's credit facility is subject to certain financial and other customary covenants. In the event of a breach of those covenants, our lenders under the credit facility may be entitled to accelerate the related debt (and any lenders in respect of any other debt to which a cross-default provision applies may be entitled to accelerate such other debt), and we could be required to seek amendments or waivers under the debt instruments or to refinance the debt.

Moreover, the Company may incur substantial additional indebtedness in the future to fund acquisitions, to repurchase shares or to fund other activities for general business purposes. If new debt is added to the current debt levels, the related risks that the Company now faces could intensify. A substantial increase in the Company's indebtedness could also have a negative impact on the Company's credit rating. In this regard, failure to maintain the Company's credit ratings could adversely affect the interest rate available to the Company in future financings, as well as the Company's liquidity, competitive position and access to capital markets. Any decision regarding future borrowings will be based on the facts and circumstances existing at the time, including market conditions and the Company's credit rating.

- **The Company may not have sufficient cash flow to service its indebtedness or fund capital expenditures.**

The Company's ability to repay and refinance its indebtedness and to fund capital expenditures depends primarily on its cash flow. Cash flow is often subject to general economic, financial, competitive, legislative, regulatory and other factors beyond the Company's control, and such factors may limit its ability to repay indebtedness and fund capital expenditures. A failure to service its indebtedness or obtain additional financing as needed could have a material adverse effect on the Company's business, operating results and financial condition.

- **There can be no guarantee that the Company will continue to make dividend payments or repurchase the Common Stock at sustained levels or at all.**

Although the Board has authorized new share repurchase programs in each of 2014, 2015 and 2016 and recently increased the amount of the quarterly cash dividends payable on the Common Stock, any Board determinations to continue to repurchase the Common Stock or to continue to pay cash dividends on the Common Stock, in each case at levels consistent with recent practice or at all, will be based primarily upon the Company's financial condition, results of operations, business requirements, price of the Common Stock in the case of the repurchase programs, and the Board's continuing determination that the repurchase programs and the

declaration of dividends under the dividend policy are in the best interests of Company stockholders and are in compliance with all laws and agreements applicable to the repurchase and dividend programs. In the event the Company does not declare a quarterly dividend, or discontinues its share repurchases, its stock price could be adversely affected.

- **Volatility in the financial markets may negatively impact the Company's ability to access the credit markets.**

Over the years, the banking system and financial markets have experienced severe disruption, including, among other things, bank failures and consolidations, severely diminished liquidity and credit availability, rating downgrades, declines in asset valuations and fluctuations in foreign currency exchange rates. These conditions present the following risks to the Company, among others:

The Company is dependent on the continued viability of the financial institutions that participate in the syndicate that is generally obligated to fund the Company's $1 billion unsecured revolving credit facility dated December 4, 2015 (as amended, the "Credit Agreement"). In addition, the Credit Agreement includes a "commitment increase" feature that enables the Company to increase the amount of its borrowing under the Credit Agreement, subject to lending commitments and certain conditions. Any disruption in the credit markets could limit the availability of credit or the ability or willingness of financial institutions to extend credit, which could adversely affect the Company's liquidity and capital resources.

The Company's short- and long-term credit ratings affect its borrowing costs and access to financing. A downgrade in the Company's credit ratings, as a result of a substantial increase in the Company's indebtedness or otherwise, would increase its borrowing costs and could affect its ability to issue commercial paper. Disruptions in the commercial paper market or other effects of volatile economic conditions on the credit market also could raise the Company's borrowing costs for both short- and long-term debt offerings. Either scenario could adversely affect the Company's liquidity and capital resources. Failure to maintain the Company's credit ratings could adversely affect the interest rate in future financings, liquidity, competitive position and access to capital markets.

Although the Company believes that its operating cash flows, together with its access to the credit markets, provides it with significant discretionary funding capacity, the inability of one or more institutions to fulfill funding obligations under the Credit Agreement could have a material adverse effect on the Company's liquidity and operations.

- **Changes in tax laws and regulations or in our operations may impact the Company's effective tax rate and may adversely affect our business, financial condition and operating results.**

The Company's future effective tax rate could be affected by changes in tax laws and regulations or their interpretation, changes in the mix of earnings in countries with differing statutory tax rates, or changes in the valuation of deferred tax assets and liabilities. The realization of deferred income tax assets is assessed and a valuation allowance is recorded if it is "more likely than not" that all or a portion of the deferred tax asset will not be realized. If the actual amount of the Company's future taxable income is less than the amount it is currently projecting with respect to specific tax jurisdictions, or if there is a change in the time period within which the deferred tax asset becomes deductible, the Company could be required to record a valuation allowance against its deferred tax assets. The recording of a valuation allowance would result in an increase in the Company's effective tax rate, and would have an adverse effect on its operating results. In addition, changes in statutory tax rates may change the Company's deferred tax assets or liability balances, which would have either a favorable or unfavorable impact on its effective tax rate. Additionally, reform proposals put forth by members of the U.S. Congress and the new presidential administration have introduced greater uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between the U.S. and other countries. Major

developments in tax policy or trade relations, such as the disallowance of tax deductions for imported merchandise or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our business, results of operations and liquidity.

- **Resolutions of tax disputes may adversely affect the Company's earnings and cash flow.**

Significant judgment is required in determining the Company's effective tax rate and in evaluating its tax positions. The Company provides for uncertain tax positions with respect to tax positions that do not meet the recognition thresholds or measurement standards mandated by applicable accounting guidance. Fluctuations in federal, state, local and foreign taxes or changes to uncertain tax positions, including related interest and penalties, may impact the Company's effective tax rate and its financial results. The Company is regularly under audit by tax authorities, and although the Company believes its tax estimates are reasonable, the final outcome of tax audits and related litigation could be materially different than that reflected in its historical income tax provisions and accruals. In addition, when particular tax matters arise, a number of years may elapse before such matters are audited and finally resolved. Favorable resolution of such matters could be recognized as a reduction to the Company's effective tax rate in the year of resolution. Unfavorable resolution of any tax matter could increase the effective tax rate. Any resolution of a tax issue may require the use of cash in the year of resolution. Additionally, adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate, which could adversely affect our business, financial condition and operating results.

- **Failure to effectively utilize or successfully assert intellectual property rights, and the loss or expiration of such rights, could materially adversely affect the Company's competitiveness. Infringement by the Company of third-party intellectual property rights could result in costly litigation and/or the modification or discontinuance of Company products.**

The market for the Company's products depends to a significant extent upon the value associated with its trademarks and brand names, including ARM & HAMMER, TROJAN, OXICLEAN, L'IL CRITTERS and VITAFUSION. The Company owns the material trademarks and brand names used in connection with the marketing and distribution of its major products both in the U.S. and in other countries. In addition, the Company holds several valuable patents on its products, which the Company believes serve as an effective barrier to entry for new competitors. Accordingly, the Company relies on trademark, trade secret, patent and copyright laws to protect its intellectual property rights. Although most of the Company's material intellectual property is registered in the U.S. and in certain foreign countries in which it operates, it cannot be sure that its intellectual property rights will be effectively utilized or, if necessary, successfully asserted. There is a risk that the Company will not be able to obtain and perfect its own intellectual property rights, or, where appropriate, license from others intellectual property rights necessary to support new product introductions. The Company cannot be sure that these rights, if obtained, will not be invalidated, circumvented or challenged in the future, and the Company could incur significant costs in connection with legal actions relating to such rights. In addition, even if such rights are obtained in the U.S., the laws of some of the other countries in which the Company's products are or may be sold do not protect intellectual property rights to the same extent as the laws of the U.S. If other parties infringe the Company's intellectual property rights, they may dilute the value of the Company's brands in the marketplace, which could diminish the value that consumers associate with the Company's brands and harm its sales. The Company's failure to perfect or successfully assert intellectual property rights could make it less competitive and could have a material adverse effect on its business, operating results and financial condition. Also, the Company's patents are granted for a term of 20 years from the date the patent application is filed. The Company does not consider any single patent to be material to the business as a whole.

In addition, if the Company's products are found to infringe intellectual property rights of others, the owners of those rights could bring legal actions against the Company claiming substantial damages for past infringement and seeking to enjoin manufacturing and marketing of the affected products. If these legal actions are successful, in addition to any potential liability for damages from past infringement, the Company could be required to

obtain a license in order to continue to manufacture or market the affected products, potentially adding significant costs. The Company might not prevail in any action brought against it or it may be unsuccessful in securing any license for continued use and therefore have to discontinue the marketing and sale of a product. This could make the Company less competitive and could have a material adverse impact on its business, operating results and financial condition.

- **Impairment of the Company's goodwill and other intangible assets may result in a reduction in net income.**

The Company has a material amount of goodwill, trademarks and other intangible assets, as well as other long-lived assets, which are periodically evaluated for impairment in accordance with current accounting standards. Declines in the Company's profitability and/or estimated cash flows related to specific intangible assets, as well as potential changes in market valuations for similar assets and market discount rates, has resulted in impairment charges from time to time, and may result in future impairment charges, which could reduce the Company's net income and otherwise have an adverse impact on operating results.

- **The Company's operations and the operations of its third party manufacturers, suppliers and customers may be subject to disruption from events beyond its or their control.**

The Company's operations, as well as the operations of its third party manufacturers, suppliers and customers, may be subject to disruption from a variety of causes, including work stoppages, material shortages, financial difficulties, acts of war, terrorism, pandemics, fire, earthquake, flooding or other natural disasters. If a major disruption were to occur, it could result in harm to people or the natural environment, delays in shipments of products to customers or suspension of operations, any of which could have a material adverse effect on the Company's business.

- **The Company may not be able to attract, retain and develop key personnel.**

The Company's future performance depends in significant part upon the continued service of its executive officers and other key personnel. The loss of the services of one or more executive officers or other key employees could have a material adverse effect on the Company's business, prospects, financial condition and results of operations. This effect could be exacerbated if any officers or other key personnel left as a group or at the same time. The Company's success also depends, in part, on its continuing ability to attract, retain and develop highly qualified personnel. Competition for such personnel is intense, and there can be no assurance that the Company can retain its key employees or attract, assimilate and retain other highly qualified personnel in the future.

- **We have a limited number of authorized shares of our Common Stock available for future issuance.**

Currently, approximately 2% of the authorized number of shares of our Common Stock remain available for issuance under our restated certificate of incorporation. Under Delaware law, stockholder approval is required in order to amend our restated certificate of incorporation to increase the number of authorized shares of common stock. We anticipate including such a proposal for consideration at our next annual meeting of stockholders; however, we cannot provide any assurances that our stockholders will approve that proposal. If our stockholders do not approve such an amendment to our restated certificate of incorporation, we may be unable to take timely advantage of market conditions and issue common stock for a variety of purposes, including stock splits or other recapitalizations, acquisitions and other business development transactions and strategic growth initiatives, equity financings, grants of stock options and other equity-based instruments, and other corporate purposes.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 2. PROPERTIES

The Company leases a 250,000 square foot building in Ewing, New Jersey for its global corporate headquarters. The lease expires in 2033, subject to two ten-year extension terms at the option of the Company. The Company's aggregate lease commitment is approximately $95 million over the remainder of the lease term.

In addition, the Company owns a 127,000 square feet facility in Princeton, New Jersey which is occupied by the Company's research and development and SPD personnel.

The Company also leases offices in various locations throughout the U.S. and globally. The Company and its consolidated subsidiaries also own or lease other facilities as set forth in the following table:

Location	Products Manufactured	Segment	Approximate Area (Sq. Feet)
Owned:			
Manufacturing facilities			
York, Pennsylvania	Liquid laundry detergent, dietary supplements and cat litter	Consumer Domestic and Consumer International	450,000
Harrisonville, Missouri	Liquid laundry detergent and fabric softener	Consumer Domestic and Consumer International	272,000
Green River, Wyoming	Sodium bicarbonate and various consumer products	Consumer Domestic, Consumer International and SPD	250,000
Lakewood, New Jersey	Various consumer products	Consumer Domestic and Consumer International	250,000
Colonial Heights, Virginia	Condoms	Consumer Domestic and Consumer International	220,000
Old Fort, Ohio	Sodium bicarbonate, rumen bypass fats and various consumer products	Consumer Domestic, Consumer International and SPD	208,000
Montreal, Canada	Personal care products	Consumer International	157,000
Camaçari, Bahia, Brazil	Sodium bicarbonate and other products	SPD	120,000
Feira de Santana, Bahia, Brazil[1]		SPD	106,000
Folkestone, England	Personal care products	Consumer International	78,000
Madera, California	Rumen bypass fats and related products	SPD	50,000
Itapura, Bahia, Brazil[1]	Barite	SPD	35,000
New Plymouth, New Zealand[2]	Condom processing	Consumer Domestic and Consumer International	31,000
Oskaloosa, Iowa	Animal productivity products	SPD	27,000
Warehouses			
York, Pennsylvania	—	Consumer Domestic and Consumer International	650,000
Harrisonville, Missouri	—	Consumer Domestic and Consumer International	282,000
Green River, Wyoming	—	Consumer Domestic, Consumer International and SPD	215,000
Old Fort, Ohio	—	Consumer Domestic, Consumer International and SPD	90,000
Camaçari, Bahia, Brazil	—	SPD	39,200
Itapura, Bahia, Brazil	—	SPD	19,600
Feira de Santana, Bahia, Brazil	—	SPD	13,100
Leased:			
Manufacturing facilities			
Vancouver, Washington[3]	Dietary supplements	Consumer Domestic and Consumer International	206,000
Victorville, California[4]	Liquid laundry detergent and cat litter	Consumer Domestic and Consumer International	150,000
Mason City, Iowa[5]	Animal productivity products	SPD	36,000
Folkestone, England[6]	Personal care products	Consumer International	22,000
Warehouses			
Fostoria, Ohio[7]	—	Consumer Domestic, Consumer International and SPD	486,000

Location	Products Manufactured	Segment	Approximate Area (Sq. Feet)
Victorville, California[4]	—	Consumer Domestic and Consumer International	300,000
Grandview, Missouri[8]	—	Consumer Domestic and Consumer International	125,000
Ridgefield, Washington[3]	—	Consumer Domestic and Consumer International	190,000
Mississauga, Canada[9]	—	Consumer International	123,000
Mason City, Iowa[5]		SPD	64,000
Folkestone, England[10]	—	Consumer International	55,000
Revel, France	—	Consumer International	48,900
Offices[13]			
Mexico City, Mexico	—	Consumer International	27,500
Levallois, France	—	Consumer International	21,600
Mississauga, Canada	—	Consumer International	17,000
Folkestone, England[11]	—	Consumer International	11,000
Sydney, Australia[12]	—	Consumer International	24,900

(1) Manufacturing site is idle, and all manufacturing equipment has now been removed.
(2) Land lease expires in March 2025.
(3) There are a total of seven buildings in Vancouver, Washington and one building in Ridgefield, Washington dedicated to the Company's dietary supplements business. All leases have an expiration date of December 2020, except for the building in Ridgefield (March 2018, subject to a 33-month extension at the option of the Company) and one building in Vancouver (December 2017, subject to three one-year extensions, at the option of the Company).
(4) Lease expires in April 2024, subject to two five-year extensions at the option of the Company.
(5) There are three buildings in Mason City, Iowa dedicated to the Company's Animal Productivity business. One lease, for two buildings, has an expiration date of November 2019, subject to three five-year extensions at the option of the Company. The lease for the other building has an expiration date of November 2024, subject to two five-year extensions at the option of the Company.
(6) Lease expires in April 2022, subject to a break option in 2017.
(7) Lease expires in November 2019.
(8) Lease consists of one suite (approximately 125,000 sq. feet). The lease expires in May 2019. The lease is subject to one two-year extension at the option of the Company.
(9) Lease expires in September 2022, subject to two five-year extensions at the option of the Company.
(10) There are two leased warehouses in Folkestone, England. One lease expires in March 2028, with break options every five years. The second lease expires in April 2022, subject to a break option in April 2017.
(11) Lease expires in November 2024, subject to a break option in December 2020.
(12) Lease expires in June 2020, subject to a six-year extension at the option of the Company.
(13) We also lease offices in Brazil, China, London, Los Angeles, Panama, Singapore and Taiwan.

In Syracuse, New York, the Company owns a 21 acre site which includes a group of connected buildings. This facility was closed in 2001 and a portion of the facility is now leased to a third party.

Armand, a joint venture in which the Company owns a 50% interest, operates a potassium carbonate manufacturing plant located in Muscle Shoals, Alabama. This facility contains approximately 53,000 square feet of space and has a production capacity of 103,000 tons of potassium carbonate per year.

The Old Fort, Ohio plant has a production capacity for sodium bicarbonate of 280,000 tons per year. The Green River, Wyoming plant has a production capacity for sodium bicarbonate of 200,000 tons per year.

The Company believes that its operating and administrative facilities are adequate and suitable for the conduct of its business. The Company also believes that its production facilities are suitable for current manufacturing requirements for its consumer and specialty products businesses. In addition, the facilities possess a capacity sufficient to accommodate the Company's estimated increases in production requirements over the next several years, based on its current product lines.

ITEM 3. LEGAL PROCEEDINGS

General

The Company, in the ordinary course of its business is the subject of, or party to, various pending or threatened legal actions, government investigations and proceedings from time to time, including, without limitation, those relating to, commercial transactions, product liability, purported consumer class actions,

employment matters, antitrust, environmental, health, safety and other compliance related matters. Such proceedings are subject to many uncertainties and the outcome of certain pending or threatened legal actions may not be reasonably predictable and any related damages may not be estimable. Certain legal actions, including those described below, could result in an adverse outcome for the Company, and any such adverse outcome could have a material adverse effect on the Company's business, financial condition, results of operations, and cash flows.

Scantibodies Laboratory, Inc.

The Company has been named as a defendant in a breach of contract action filed by Scantibodies Laboratory, Inc. (the "Plaintiff") on April 1, 2014, in the U.S. District Court for the Southern District of New York.

The complaint alleges, among other things, that the Company (i) breached two agreements for the manufacture and supply of pregnancy and ovulation test kits by switching suppliers, (ii) failed to give Plaintiff the proper notice, (iii) failed to reimburse Plaintiff for costs and expenses under the agreements and (iv) misrepresented its future requirements. The complaint seeks compensatory and punitive damages in an amount in excess of $20 million, as well as declaratory relief, statutory prejudgment interest and attorneys' fees and costs.

The Company is vigorously defending itself in this matter. On June 16, 2014, the Company filed an amended answer to the complaint denying all of the Plaintiff's material allegations. The parties have been engaged in fact and expert discovery, which is ongoing.

In connection with this matter, the Company has reserved an immaterial amount. Although any damages ultimately paid by the Company may exceed this amount, it is not currently possible to estimate the amount of any such excess; however, any such excess could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

	2016			2015		
Common Stock Price Range and Dividends	**Low**	**High**	**Dividend**	**Low**	**High**	**Dividend**
1st Quarter	$38.42	$46.36	$0.178	$38.70	$43.33	$0.17
2nd Quarter	$45.10	$53.68	$0.178	$40.41	$43.63	$0.17
3rd Quarter	$46.63	$52.28	$0.178	$40.61	$45.37	$0.17
4th Quarter	$42.56	$48.70	$0.178	$40.29	$44.69	$0.17
Full Year	$38.42	$53.68	$ 0.71	$38.70	$45.37	$0.67

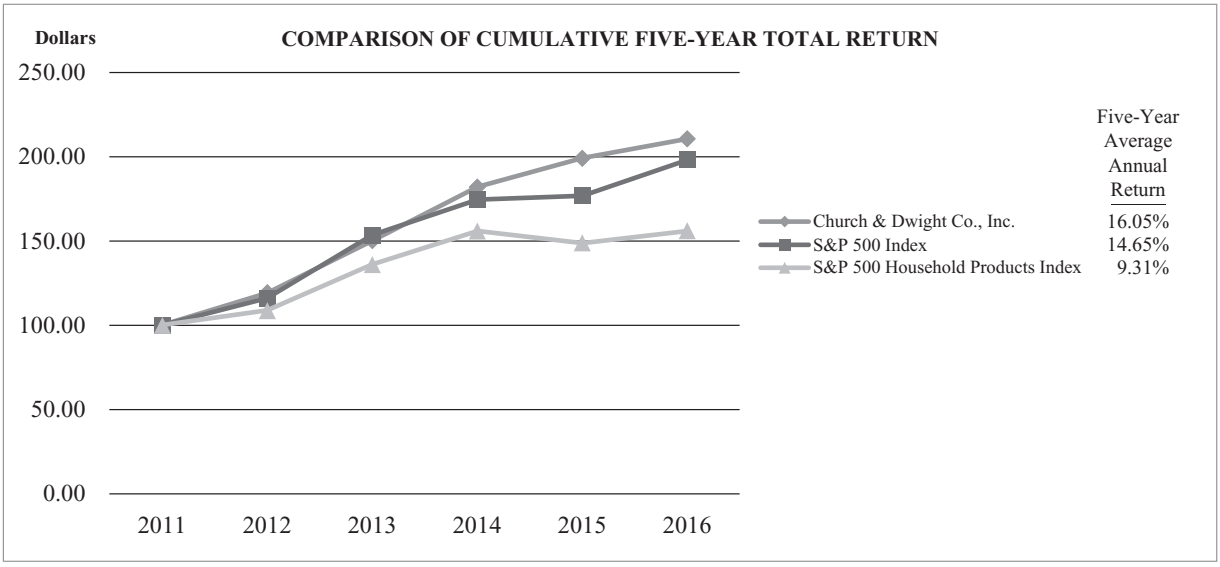
Based on composite trades reported by the New York Stock Exchange and dividends paid for each fiscal quarter for the years ended December 31, 2016 and 2015.

Approximate number of record holders of the Company's Common Stock as of December 31, 2016: 1,900.

The following graph compares the yearly change in the cumulative total stockholder return on the Company's Common Stock for the past five fiscal years with the cumulative total return of the S&P 500 Index and the S&P 500 Household Products Index described more fully below. The returns are indexed to a value of $100 at December 31, 2011. Dividend reinvestment has been assumed.

Comparison of Cumulative Five-Year Total Return among Company, S&P 500 Index and the S&P 500 Household Products Index(1)

(1) S&P 500 Household Products Index consists of THE CLOROX COMPANY, COLGATE-PALMOLIVE COMPANY, KIMBERLY-CLARK CORPORATION and P&G.



	INDEXED RETURNS (Years ending)					
Company / Index	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Church & Dwight Co., Inc.	100.00	119.29	150.26	181.96	199.12	210.53
S&P 500 Index	100.00	116.00	153.56	174.57	176.97	198.12
S&P 500 Household Products Index	100.00	108.77	136.04	155.97	148.85	156.03

Share Repurchase Authorization

On November 2, 2016, the Board authorized a new share repurchase program, under which the Company may repurchase up to $500 million in shares of Common Stock (the "2016 Share Repurchase Program"). The 2016 Share Repurchase Program does not have an expiration and replaced the 2015 Share Repurchase Program. The Company also continued its evergreen share repurchase program, authorized by the Board on January 29, 2014, under which the Company may repurchase, from time to time, Common Stock to reduce or eliminate dilution associated with issuances of Common Stock under the Company's incentive plans.

In 2016, the Company purchased approximately 9.0 million shares of Common Stock for $400.0, of which $103.0 was purchased under the evergreen share repurchase program, $200.0 was purchased under the 2016 Share Repurchase Program, and $97.0 was purchased under the 2015 Share Repurchase Program. As a result of the Company's purchases, there remained $300.0 under the 2016 Share Repurchase Program as of December 31, 2016.

Period	Total Number of Shares Purchased[1]	Average Price Paid per Share[2]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under All Programs[3]
10/1/2016 to 10/31/2016	0	0	0	$128,353,339
11/1/2016 to 11/30/2016	4,500,668	$44.50	4,494,668	$300,000,000
12/1/2016 to 12/31/2016	0	0	0	$300,000,000
Total	4,500,668	$44.50	4,494,668	

(1) Includes purchases by the Company and certain affiliated purchasers within the meaning of Rule 10b-18(a)(3) during the fourth quarter of 2016.

(2) Average price paid per share in the period includes commission.

(3) The 2015 Share Repurchase Program was replaced by the 2016 Share Repurchase Program on November 2, 2016. The evergreen share repurchase program has no specified cap and therefore is not reflected in this column.

ITEM 6. SELECTED FINANCIAL DATA

The following selected historical consolidated financial data should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Company's audited consolidated financial statements and related notes to those statements included in this Annual Report. The selected historical consolidated financial data for the periods presented have been derived from the Company's audited consolidated financial statements.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES
FIVE-YEAR FINANCIAL REVIEW

(Dollars in millions, except per share data and employees)

	2016[1]	2015[1]	2014[1]	2013[1]	2012[1]
Operating Results					
Net Sales	**$3,493.1**	3,394.8	3,297.6	3,194.3	2,921.9
Marketing expenses	**$ 427.2**	417.5	416.9	399.8	357.3
Research and development expenses	**$ 63.2**	64.7	59.8	61.8	54.8
Income from Operations[2,3]	**$ 724.2**	674.2	641.2	622.2	545.1
% of Sales	**20.7%**	19.9%	19.4%	19.5%	18.7%
Net Income[2,4]	**$ 459.0**	410.4	413.9	394.4	349.8
Net Income per Share-Basic[3,4,5]	**$ 1.78**	1.57	1.53	1.43	1.25
Net Income per Share-Diluted[3,4,5]	**$ 1.75**	1.54	1.51	1.40	1.23
Financial Position					
Total Assets	**$4,354.1**	4,256.9	4,359.2	4,237.3	4,072.5
Total Debt[2]	**$1,120.2**	1,050.0	1,086.6	797.3	895.6
Total Stockholders' Equity	**$1,977.9**	2,023.2	2,101.9	2,300.0	2,061.1
Total Debt as a % of Total Capitalization	**36%**	34%	34%	26%	30%
Other Data					
Average Common Shares Outstanding-Basic[5]	**257.6**	262.2	270.2	277.2	280.2
Cash Dividends Paid	**$ 183.0**	175.3	167.5	155.2	134.5
Cash Dividends Paid per Common Share[5]	**$ 0.71**	0.67	0.62	0.56	0.48
Stockholders' Equity per Common Share[5]	**$ 7.68**	7.72	7.78	8.30	7.36
Additions to Property, Plant & Equipment[6]	**$ 49.8**	61.8	70.5	67.1	74.5
Depreciation & Amortization	**$ 107.6**	101.0	91.2	90.5	85.0
Employees at Year-End	**4,500**	4,406	4,145	4,177	4,354

(1) Period to period comparisons of the data presented above are impacted by the effect of acquisitions and divestitures made by the Company. For further explanation of the impact of the acquisitions occurring in 2016, 2015, and 2014 refer to Note 6 to the consolidated financial statements.

(2) 2014 results reflect an increase of $300.0 in debt and its impact on interest expense due to the acquisition of assets of Lil' Drug Store Products, Inc. 2012 results reflect an increase of $650.0 in debt and its impact on interest expense due to the acquisition of Avid Health..

(3) 2015 results include an $8.9 pre-tax charge or $0.03 per share to terminate an international defined benefit pension plan.

(4) 2015 results include a $17.0 or $0.06 per share impairment charge to write-off the remaining investment in Natronx Technologies LLC ("Natronx").

(5) On August 4, 2016, the Company announced a two-for-one stock split of the Company's common stock. Share and per share information has been retroactively adjusted to reflect the stock split which was effected on September 1, 2016.

(6) 2015 and 2014 results include approximately $18.1 and $34.0, respectively, for expenditures for the gummy dietary supplement product line expansion at the York facilities. 2012 results include $37.8 for expenditures for the Victorville facility.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with the Company's consolidated financial statements.

OVERVIEW

The Company's Business

The Company develops, manufactures, markets and sells a broad range of household, personal care and specialty products. The Company sells its consumer products under a variety of brands through a broad distribution platform that includes supermarkets, mass merchandisers, wholesale clubs, drugstores, convenience stores, home stores, dollar, pet and other specialty stores, and websites, all of which sell the products to consumers. The Company also sells specialty products to industrial customers and distributors. The Company focuses its consumer products marketing efforts principally on its ten "power brands." These well-recognized brand names include ARM & HAMMER, used in multiple product categories such as baking soda, cat litter, carpet deodorization and laundry detergent; TROJAN condoms, lubricants and vibrators; OXICLEAN stain removers, cleaning solutions, laundry detergent, dishwashing detergent and bleach alternatives; SPINBRUSH battery-operated and manual toothbrushes; FIRST RESPONSE home pregnancy and ovulation test kits; NAIR depilatories; ORAJEL oral analgesic; XTRA laundry detergent; L'IL CRITTERS and VITAFUSION gummy dietary supplements; and BATISTE dry shampoos.

The Company operates its business in three segments: Consumer Domestic, Consumer International and SPD. The Consumer Domestic segment includes the power brands noted above and other household and personal care products such as SCRUB FREE, KABOOM and ORANGE GLO cleaning products, ARRID antiperspirant, CLOSE-UP and AIM toothpastes and SIMPLY SALINE nasal saline moisturizer. The Consumer International segment primarily sells a variety of personal care products, some of which use the same brand names as the Company's domestic product lines, in international markets including Canada, France, Australia, the United Kingdom, Mexico and Brazil. The SPD segment is the largest U.S. producer of sodium bicarbonate, which it sells together with other specialty inorganic chemicals for a variety of industrial, institutional, medical and food applications. This segment also sells a range of animal nutrition and specialty cleaning products. In 2016, the Consumer Domestic, Consumer International and SPD segments represented approximately 77%, 15% and 8%, respectively, of the Company's consolidated net sales.

2016 Financial Highlights

Key fiscal year 2016 financial results include:

- 2016 net sales grew 2.9% over fiscal year 2015, with gains in the Consumer Domestic and Consumer International segments, primarily due to volume growth in both the Consumer Domestic and Consumer International segments, helped in part by the January 2016 acquisition of Spencer Forrest, Inc. ("Spencer Forrest"), the maker of TOPPIK, (the "Toppik Acquisition"), partially offset by lower sales of animal productivity products.
- On December 22, 2016, the Company completed the Anusol Acquisition, acquiring the ANUSOL and RECTINOL businesses from Johnson & Johnson, Inc. for $130. Total annual sales for ANUSOL and RECTINOL were $24 in 2016.
- Gross margin increased 100 basis points to 45.5% in fiscal year 2016 from 44.5% in fiscal year 2015, primarily due to lower manufacturing and commodity costs.

- Operating margin increased 80 basis points to 20.7% in fiscal year 2016 from 19.9% in fiscal year 2015, reflecting a higher gross margin and slightly lower marketing costs, partially offset by higher selling, general and administrative expenses ("SG&A").
- The Company reported diluted net earnings per share in fiscal year 2016 of $1.75, an increase of approximately 14.0% from fiscal year 2015 diluted net earnings per share of $1.54.
- Cash provided by operations was $655.3, a $49.2 increase from the prior year, due to higher cash earnings and improved working capital.
- The Company returned $583.0 to its stockholders through dividends and share repurchases.

Strategic Goals, Challenges and Initiatives

The Company's ability to generate sales depends on consumer demand for its products and retail customers' decisions to carry its products, which are, in part, affected by general economic conditions in its markets. In 2016, many of the markets in which the Company operates continued to experience pricing pressures, general economic softness and weak or inconsistent consumer demand. Although the Company's consumer products generally are consumer staples and less vulnerable to decreases in discretionary spending than other products, the continued economic downturn has reduced demand in many categories, particularly those in personal care, and affected Company sales in recent periods. Some customers have responded to economic conditions by increasing their private label offerings (primarily in the dietary supplements, diagnostic kits and oral analgesics categories), and consolidating the product selections they offer to the top few leading brands in each category. In addition, an increasing portion of the Company's product categories are being sold by club stores, dollar stores and mass merchandisers. These customer actions have placed downward pressure on the Company's sales and gross margins.

The Company expects a competitive marketplace in 2017 due to new product introductions by competitors and continuing aggressive competitive pricing pressures. In the U.S., an improving unemployment rate and higher disposable income due to low gasoline prices are expected to have a positive effect on consumption patterns. To continue to deliver attractive results for stockholders in this environment, the Company intends to continue to aggressively pursue several key strategic initiatives: maintain competitive marketing and trade spending, tightly control its cost structure, continue to develop and launch new and differentiated products, and pursue strategic acquisitions. The Company also intends to continue to grow its product sales geographically (in an attempt to mitigate the impact of weakness in any one area), and maintain an offering of premium and value brand products (to appeal to a wide range of consumers).

There continues to be significant product and price competition in the laundry detergent category. For example, P&G markets a lower-priced line of laundry detergents, Simply Tide, which competes directly with the Company's core value laundry detergents. P&G has significantly increased its discounting of Simply Tide which could have a broad negative impact on the laundry category pricing and profitability. In addition, in 2016, Henkel entered the U.S. market with Persil, its leading worldwide premium laundry detergent, and on September 1, 2016 completed its acquisition of Sun Products, the maker of All, Wisk, Sun, and private label laundry detergents. While it is too early to assess what impact this will have on the Company's laundry detergent business, the introduction of Persil and Henkel's increased scale and market share could precipitate greater price competition in the category and distribution pressure with a potential adverse impact on the Company's laundry detergent business. Moreover, the unit dose laundry detergent segment is the fastest growing segment in the laundry detergent category, having grown to approximately 16% of the category since its introduction in 2012, and the Company faces pressure to achieve its proportionate share of the segment with a potential adverse impact on its

share of the laundry detergent category. The Company continues to evaluate and vigorously combat these pressures through, among other things, new product introductions and increased marketing and trade spending. Additionally, while the category grew 3.3% for the 52 weeks ended December 17, 2016 and 1.6% for the 52 weeks ended December 19, 2015, after experiencing declines in 2013 and 2014, there is no assurance the category will not decline in the future and that the Company will be able to offset any such decline.

The Company has responded to these competitive pressures by, among other things, focusing on strengthening its key brands, including increased focus on the ARM & HAMMER, OXICLEAN, TROJAN, L'IL CRITTERS and VITAFUSION and BATISTE brands through the launch of innovative new products, which span various product categories, including premium and value household products supported by increased marketing and trade spending. There can be no assurance that these measures will be successful.

In 2016, the Company was able to grow market share in four of 10 of its "power brands" in measured channels. The Company's global product portfolio consists of both premium (60% of total worldwide consumer revenue in 2016) and value (40% of total worldwide consumer revenue in 2016) brands, which it believes enables it to succeed in a range of economic environments. The Company intends to continue to develop a portfolio of appealing new products to build loyalty among cost-conscious consumers.

Over the past 16 years, the Company has diversified from an almost exclusively U.S. business to a global company with approximately 16% of sales derived from foreign countries in 2016. The Company has operations in six countries (Canada, Mexico, U.K., France, Australia and Brazil) and exports to over 90 other countries. In 2016, the Company benefited from its concentration in North America in light of the economic downturn in Europe; however, the Company has focused and will continue to focus on selectively expanding its global business. Net sales generated outside of the United States are exposed to foreign currency exchange rate fluctuations as well as political uncertainty which could impact future operating results.

The Company also continues to focus on controlling its costs. Historically, the Company has been able to mitigate the effects of cost increases primarily by implementing cost reduction programs and, to a lesser extent, by passing along some of these cost increases to customers. The Company has also entered into set pricing and pre-buying arrangements with certain suppliers and hedge agreements for diesel fuel. Additionally, maintaining tight controls on overhead costs has been a hallmark of the Company and has enabled it to effectively navigate recent challenging economic conditions.

The identification and integration of strategic acquisitions are an important component of the Company's overall strategy. Acquisitions have added significantly to Company sales and profits over the last decade. This is evidenced by the Company's 2015 acquisition of certain assets of Varied Industries Corporation (the "VI-COR Acquisition") and 2016 acquisitions of Spencer Forrest, Inc., the maker of TOPPIK, and the ANUSOL and RECTINOL businesses from Johnson & Johnson in the Anusol Acquisition. However, the failure to effectively integrate any acquisition or achieve expected synergies may cause the Company to incur material asset write-downs. The Company actively seeks acquisitions that fit its guidelines, and its strong financial position provides it with flexibility to take advantage of acquisition opportunities. In addition, the Company's ability to quickly integrate acquisitions and leverage existing infrastructure has enabled it to establish a strong track record in making accretive acquisitions. Since 2001, the Company has acquired nine of its ten "power brands".

The Company believes it is positioned to meet the ongoing challenges described above due to its strong financial condition, experience operating in challenging environments and continued focus on key strategic initiatives: maintaining competitive marketing and trade spending, managing its cost structure, continuing to develop and launch new and differentiated products, and pursuing strategic acquisitions. This focus, together with the strength of the Company's portfolio of premium and value brands, has enabled the Company to succeed

in a range of economic environments, and is expected to position the Company to continue to increase stockholder value over the long-term. Moreover, the generation of a significant amount of cash from operations, as a result of net income and effective working capital management, combined with an investment grade credit rating provides the Company with the financial flexibility to pursue acquisitions, drive new product development, make capital expenditures to support organic growth and gross margin improvements, return cash to stockholders through dividends and share buy backs, and reduce outstanding debt, positioning it to continue to create stockholder value.

For information regarding risks and uncertainties that could materially adversely affect the Company's business, results of operations and financial condition, see "Risk Factors" in Item 1A of this Annual Report.

Recent Developments

Stock Split

On August 4, 2016, the Company announced a two-for-one stock split of the Company's common stock ("Common Stock"). The stock split was structured in the form of a 100% stock dividend, payable on September 1, 2016 to stockholders of record as of August 15, 2016. All applicable amounts in the consolidated financial statements and related disclosures have been retroactively adjusted to reflect the stock split.

Share Repurchase Program

On November 2, 2016, the Board authorized a new share repurchase program, under which the Company may repurchase up to $500.0 in shares of Common Stock (the "2016 Share Repurchase Program"). The 2016 Share Repurchase Program replaced the 2015 Share Repurchase Program and does not have an expiration. The Company will continue its evergreen share repurchase program, under which the Company may repurchase, from time to time, Common Stock to reduce or eliminate dilution associated with issuances of Common Stock under the Company's incentive plans.

Toppik Acquisition

On January 4, 2016, the Company acquired Spencer Forrest, Inc., the maker of TOPPIK, the leading brand of hair building fibers for people with thinning hair in the Toppik Acquisition. The total purchase price was $175.3. The Company financed the acquisition with short-term borrowings. This brand is managed within the Consumer Domestic and Consumer International segments.

Anusol and Rectinol Acquisitions

On December 22, 2016, the Company acquired the ANUSOL and RECTINOL businesses from Johnson & Johnson, Inc. for $130. These are the number one or number two hemorrhoid care brands in each market in which they operate, primarily in the U.K., Canada, Australia and South Africa with total annual sales of $24 in 2016. The acquisition was funded with short-term borrowings and will be managed in the Consumer International segment.

Viviscal Acquisition

On January 17, 2017, the Company acquired the VIVISCAL business from Lifes2Good Holdings Limited for approximately $160. Viviscal is the number one hair care supplement brand both in the U.S. and the U.K. with global annual sales of $44 in 2016. This brand is complementary to the Company's global BATISTE dry shampoo and TOPPIK hair care business. The acquisition was funded with short-term borrowings and will be managed in the Consumer Domestic and Consumer International segments.

Dividend Increase

On February 7, 2017, the Board of Directors declared a 7% increase in the regular quarterly dividend from $0.1775 to $0.19 per share, equivalent to an annual dividend of $0.76 per share payable to stockholders of record as of February 21, 2017. The increase raises the annual dividend payout from $183 to approximately $195, and maintains the Company's payout of dividends relative to net income at approximately 40%.

Brazil's Chemical Business

During fourth quarter of 2016, the Company decided to sell its Brazilian chemical business to focus on its Brazilian consumer business, resulting in a plant impairment charge of $4.9 recognized in the fourth quarter of 2016 based upon an anticipated selling price. During the first quarter of 2017, the Company signed an agreement to sell the business, resulting in an approximate $5.0 expense for severance and other charges. Sales for the Brazilian chemical business in 2016 were approximately $22.0. The Company anticipates the transaction to close during the first quarter.

International Pension Plan Termination

In 2016 the Company authorized the termination of an international defined benefit pension plan under which approximately 336 participants, including 53 active employees, have accrued benefits. The Company anticipates completing the termination of this plan by the end of the second quarter of 2017, once regulatory approvals are obtained. In addition to plan assets, the Company will need to make a one-time payment of $20.0 to $26.0 ($14.0 to $19.0 after tax) to purchase annuities for participants. The Company estimates that it will incur a one-time expense of $49.0 to $55.0 ($40.0 to $45.0 after tax) in 2017 when the plan settlement is completed. This expense primarily includes the effect of the additional cash payment required at settlement and pension settlement accounting rules which require accelerated recognition of actuarial losses that were to be amortized over the expected benefit lives of participants. The estimated expense is subject to change based on valuations at the actual date of settlement. Upon the termination of these plans in 2017, the Company will have no further obligations with respect to material defined benefit pension plans.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the U.S. (GAAP). The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. By their nature, these judgments are subject to uncertainty. They are based on the Company's historical experience, its observation of trends in industry, information provided by its customers and information available from other outside sources, as appropriate. The Company's significant accounting policies and estimates are described below.

Revenue Recognition and Promotional and Sales Return Reserves

Virtually all of the Company's revenue represents sales of finished goods inventory and is recognized when received or picked up by the Company's customers. The reserves for consumer and trade promotion liabilities and sales returns are established based on the Company's best estimate of the amounts necessary to settle future and existing claims on products sold as of the balance sheet date. Promotional reserves are provided for sales incentives, such as coupons to consumers, and sales incentives provided to customers (such as slotting, cooperative advertising, incentive discounts based on volume of sales and other arrangements made directly with customers). All such costs are netted against sales. Slotting costs are recorded when the product is delivered to

the customer. Cooperative advertising costs are recorded when the customer places the advertisement for the Company's products. Discounts relating to price reduction arrangements are recorded when the related sale takes place. Costs associated with end-aisle or other in-store displays are recorded when product that is subject to the promotion is sold. The Company relies on historical experience and forecasted data to determine the required reserves. For example, the Company uses historical experience to project coupon redemption rates to determine reserve requirements. Based on the total face value of Consumer Domestic coupons redeemed over the past several years, if the actual rate of redemptions were to deviate by 0.1% from the rate for which reserves are accrued in the financial statements, an approximately $4.1 difference in the reserve required for coupons would result. With regard to other promotional reserves and sales returns, the Company uses experience-based estimates, customer and sales organization inputs and historical trend analysis in arriving at the reserves required. If the Company's estimates for promotional activities and sales returns were to change by 10% the impact to promotional spending and sales return accruals would be approximately $6.4. While management believes that its promotional and sales returns reserves are reasonable and that appropriate judgments have been made, estimated amounts could differ materially from actual future obligations. During the twelve months ended December 31, 2016, 2015 and 2014, the Company reduced promotion liabilities by approximately $5.4, $4.3 and $6.7, respectively, based on a change in estimate as a result of actual experience and updated information. These adjustments are immaterial relative to the amount of trade promotion expense incurred annually by the Company.

Impairment of goodwill, trade names and other intangible assets

Carrying values of goodwill, trade names and other indefinite lived intangible assets are reviewed periodically for possible impairment. For finite intangible assets, the Company assesses business triggering events. The Company's impairment analysis is based on a discounted cash flow approach that requires significant judgment with respect to unit volume, revenue and expense growth rates, and the selection of an appropriate discount rate. Management uses estimates based on expected trends in making these assumptions. With respect to goodwill, impairment occurs when the carrying value of the reporting unit exceeds the discounted present value of cash flows for that reporting unit. For trade names and other intangible assets, an impairment charge is recorded for the difference between the carrying value and the net present value of estimated future cash flows, which represents the estimated fair value of the asset. Judgment is required in assessing whether assets may have become impaired between annual valuations. Indicators such as unexpected adverse economic factors, unanticipated technological change, distribution losses, or competitive activities and acts by governments and courts may indicate that an asset has become impaired. The result of the Company's annual goodwill impairment test determined that the estimated fair value substantially exceeded the carrying values of all reporting units. In addition, there were no goodwill impairment charges for each of the years in the three-year period ended December 31, 2016.

In 2014, the Company recorded an impairment charge of $5.0 for an intangible asset related to the Consumer Domestic segment. The impairment charge recorded in 2014 was a result of actual and projected reductions in sales and profitability as a result of increased competition. The amount of the impairment charges was determined by comparing the estimated fair value of the asset to its carrying amount. Fair value was estimated based on a "relief from royalty" or "excess earnings" discounted cash flow method, which contains numerous variables that are subject to change as business conditions change, and therefore could impact fair values in the future. The Company determined that the fair value of all other intangible assets as of December 31, 201 6 exceeded their respective carrying values based upon the forecasted cash flows and profitability.

It is possible that the Company's conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods if, for example, (i) the businesses or brands do not perform as projected, (ii) overall economic conditions in 2017 or future years vary from current assumptions (including

changes in discount rates), (iii) business conditions or strategies change from current assumptions, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA. A future impairment charge for goodwill or intangible assets could have a material effect on the Company's consolidated financial position or results of operations.

Inventory valuation

When appropriate, the Company writes down the carrying value of its inventory to the lower of cost or market (net realizable value, which reflects any costs to sell or dispose). The Company identifies any slow moving, obsolete or excess inventory to determine whether an adjustment is required to establish a new carrying value. The determination of whether inventory items are slow moving, obsolete or in excess of needs requires estimates and assumptions about the future demand for the Company's products, technological changes, and new product introductions. In addition, the Company's allowance for obsolescence may be impacted by the reduction of the number of stock keeping units (SKUs). The Company evaluates its inventory levels and expected usage on a periodic basis and records adjustments as required. Adjustments to inventory to reflect a reduction in net realizable value were $10.5 at December 31, 2016, $12.6 at December 31, 2015, and $8.3 at December 31, 2014.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized to reflect the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the differences are expected to be recovered or settled. Management provides a valuation allowance against deferred tax assets for amounts which are not considered "more likely than not" to be realized. The Company records liabilities for potential assessments in various tax jurisdictions under U.S. GAAP guidelines. The liabilities relate to tax return positions that, although supportable by the Company, may be challenged by the tax authorities and do not meet the minimum recognition threshold required under applicable accounting guidance for the related tax benefit to be recognized in the income statement. The Company adjusts this liability as a result of changes in tax legislation, interpretations of laws by courts, rulings by tax authorities, changes in estimates and the expiration of the statute of limitations. Many of the judgments involved in adjusting the liability involve assumptions and estimates that are highly uncertain and subject to change. In this regard, settlement of any issue, or an adverse determination in litigation, with a taxing authority could require the use of cash and result in an increase in the Company's annual tax rate. Conversely, favorable resolution of an issue with a taxing authority would be recognized as a reduction to the Company's annual tax rate.

New Accounting Pronouncements

Refer to Note 1 to the Consolidated Financial Statements for recently adopted accounting pronouncements and recently issued accounting pronouncements not yet adopted as of December 31, 2016.

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2016, 2015 AND 2014

The discussion of results of operations at the consolidated level presented below is followed by a more detailed discussion of results of operations by segment. The discussion of the Company's consolidated results of operations and segment operating results is presented on a historical basis for the years ended December 31, 2016, 2015, and 2014. The segment discussion also addresses certain product line information. The Company's operating units are consistent with its reportable segments.

CHURCH & DWIGHT CO., INC AND SUBSIDIARIES
(Dollars in millions, except share and per share data)

Consolidated results

2016 compared to 2015

	Twelve Months Ended December 31, 2016	Change vs. Prior Year	Twelve Months Ended December 31, 2015
Net Sales	**$3,493.1**	2.9%	$3,394.8
Gross Profit	**$1,590.6**	5.2%	$1,511.8
Gross Margin	**45.5%**	+100 basis points	44.5%
Marketing Expenses	**$ 427.2**	2.3%	$ 417.5
Percent of Net Sales	**12.2%**	-10 basis points	12.3%
Selling, General & Administrative Expenses	**$ 439.2**	4.5%	$ 420.1
Percent of Net Sales	**12.6%**	+30 basis points	12.3%
Income from Operations	**$ 724.2**	7.4%	$ 674.2
Operating Margin	**20.7%**	+80 basis points	19.9%

Net Sales

Net sales for the year ended December 31, 2016 were $3,493.1, an increase of $98.3, or approximately 2.9% compared to 2015 net sales. The components of the net sales increase are as follows:

Net Sales—Consolidated	December 31, 2016
Product volumes sold	3.1%
Pricing/Product mix	0.1%
Foreign exchange rate fluctuations / Other	(0.9%)
Volume from acquired product lines[1]	0.6%
Net Sales increase	**2.9%**

(1) On January 4, 2016, the Company completed the Toppik Acquisition, acquiring Spencer Forrest, Inc., the maker of TOPPIK, the leading brand of hair building fibers for people with thinning hair. Net sales of this acquisition are included in the Company's results since the date of acquisition.

Volume growth in Consumer Domestic and Consumer International was partially offset by lower SPD volume.

The Company's gross profit for 2016 was $1,590.6, a $78.8 increase compared to 2015. Gross margin was 45.5% in 2016 compared to 44.5% in 2015, a 100 basis points ("bps") increase. The increase is due to lower manufacturing costs of 70 bps (including productivity programs and the absence of start-up costs incurred in 2015 associated with the Company's new vitamin manufacturing facility), lower commodity costs of 60 bps, and the impact of the higher margin acquired business of 30 bps, partially offset by unfavorable foreign exchange rates of 30 bps, a plant impairment charge of 20 bps at an international subsidiary and unfavorable price/volume mix of 10 bps.

Operating Costs

Marketing expenses for 2016 were $427.2, an increase of $9.7 compared to 2015. Marketing expenses as a percentage of net sales decreased 10 bps to 12.2% in 2016 as compared to 2015 due to 40 bps of leverage on higher net sales partially offset by 30 bps on higher expenses.

Selling, general and administrative expenses ("SG&A") expenses for 2016 were $439.2, an increase of $19.1 or 4.5% compared to 2015. The increase is primarily due to costs associated with the Toppik Acquisition and higher compensation costs, partially offset by a pension plan charge recorded in 2015. SG&A as a percentage of net sales increased 30 bps to 12.6% in 2016 compared to 12.3% in 2015. The increase is due to higher costs of 60 bps, partially offset by 30 bps of leverage associated with higher sales.

Other Income and Expenses

Equity in earnings of affiliates increased by $15.0 in 2016 as compared to 2015. The increase in earnings during 2016 was due primarily to a $17.0 impairment charge in 2015 associated with the Company's remaining investment in Natronx.

Interest expense in 2016 was $27.7, a decrease of $2.8 compared to 2015 due to a lower amount of average debt outstanding.

Taxation

The 2016 tax rate was 35.0% compared to 35.4% in 2015. The 2015 tax rate was negatively impacted by a valuation allowance recorded in connection with the Natronx impairment charge.

2015 compared to 2014

Net Sales

Net sales for the year ended December 31, 2015 were $3,394.8, an increase of $97.2, or approximately 2.9% compared to 2014 net sales. The components of the net sales increase are as follows:

Net Sales—Consolidated	December 31, 2015
Product volumes sold	3.1%
Pricing/Product mix	0.5%
Foreign exchange rate fluctuations / Other	(2.7%)
Acquired product lines[1]	2.0%
Net Sales increase	**2.9%**

(1) On September 19, 2014, the Company acquired certain brands in the Lil' Drug Store Brands Acquisition (the "Lil' Drug Store Brands Acquisition") and on January 2, 2015, the Company acquired certain assets of Varied Industries Corporation (the "VI-COR Acquisition"). Net sales of these acquisitions are included in the Company's results since the date of acquisition.

All three segments reported volume increases and favorable price/mix for the year ended December 31, 2015.

Gross Profit

The Company's gross profit for 2015 was $1,511.8, a $58.9 increase compared to 2014. Gross margin was 44.5% in 2015 compared to 44.1% in 2014, a 40 basis points ("bps") increase. The increase is due to 30 bps associated with higher volume, price and mix, favorable impact associated with the Lil' Drug Store Brands and VI-COR acquisitions of 40 bps, lower commodity costs of 70 bps, partially offset by higher manufacturing costs

(net of productivity programs and including higher than anticipated start-up costs associated with the Company's new vitamin manufacturing facility) of 70 bps and unfavorable foreign exchange rates of 30 bps. The higher volume, price and mix favorability included higher trade promotion and couponing to continue to support proven consumer trial generating activities for the OXICLEAN megabrand.

Operating Costs

Marketing expenses for 2015 were $417.5, an increase of $0.6 compared to 2014. The reason the increase was small was due to shifting some marketing funds to trade promotion and couponing to continue to support proven consumer trial generating activities for the OXICLEAN megabrand. Marketing expenses as a percentage of net sales decreased 30 bps to 12.3% in 2015 compared to 12.6% in 2014. This is due to 30 bps from leverage of expenses on higher sales.

Selling, general and administrative expenses ("SG&A") expenses for 2015 were $420.1, an increase of $25.3 or 6.4% compared to 2014 due primarily to both on-going and one-time costs associated with the Lil' Drug Store Brands and VI-COR acquisitions, higher compensation related costs, higher legal and research and development expenses and an $8.9 pension settlement charge in the second quarter of 2015. The increase was partially offset by lower foreign exchange rates. SG&A as a percentage of net sales increased 20 bps to 12.3% in 2015 compared to 12.1% in 2014. The increase is due to higher costs of 50 bps, including 25 bps associated with the pension charge, partially offset by 30 bps of leverage associated with higher sales.

Other Income and Expenses

Equity in earnings of affiliates for 2015 was a loss of $5.8 compared to earnings of $11.6 in 2014. The decrease in earnings was primarily due to a $17.0 impairment charge associated with the Company's remaining investment in Natronx recorded in the second quarter of 2015. This charge is primarily a result of lower than expected demand for the joint venture's products as a result of a shift in the electric utility industry from coal-fired to natural gas-supplied power plants, continued delays in the implementation of updated federal regulations, and indirectly, the recent U.S. Supreme Court ruling against the Environmental Protection Agency ("EPA") where the court stated that the EPA failed to properly consider the costs to implement the regulations. We believe that the foregoing factors will likely further delay the demand for these products.

Interest expense in 2015 was $30.5, an increase of $3.1 compared to 2014 due to a higher amount of average debt outstanding.

Taxation

The 2015 tax rate was 35.4% compared to 33.8% in 2014. The 2015 tax rate was negatively impacted by a valuation allowance recorded in connection with the Natronx impairment charge. The tax rate for 2014 was favorably impacted by discrete adjustments related to uncertain income tax positions.

Segment results for 2016, 2015 and 2014

The Company operates three reportable segments: Consumer Domestic, Consumer International and SPD. These segments are determined based on differences in the nature of products and organizational and ownership structures. The Company also has a Corporate segment.

Segment	Products
Consumer Domestic	Household and personal care products
Consumer International	Primarily personal care products
SPD	Specialty chemical products

The Corporate segment income consists of equity in earnings (losses) of affiliates. As of December 31, 2016, the Company held 50% ownership interests in each of Armand and ArmaKleen", respectively, and a one-third ownership interest in Natronx. The Company's equity in earnings (losses) of Armand and ArmaKleen for the year ended December 31, 2016 and Armand, ArmaKleen and Natronx for the years ended December 31, 2015 and 2014 are included in the Corporate segment.

Some of the subsidiaries that are included in the Consumer International segment manufacture and sell personal care products to the Consumer Domestic segment. These sales are eliminated from the Consumer International segment results set forth below.

Segment net sales and income before income taxes for each of the three years ended December 31, 2016, 2015 and 2014 were as follows:

	Consumer Domestic	Consumer International	SPD	Corporate[3]	Total
Net Sales[1]					
2016	**$2,677.8**	**$525.2**	**$290.1**	**$ 0.0**	**$3,493.1**
2015	2,581.6	501.0	312.2	0.0	3,394.8
2014	2,471.6	535.2	290.8	0.0	3,297.6
Income before Income Taxes[2]					
2016	**$ 590.6**	**$ 66.3**	**$ 39.8**	**$ 9.2**	**$ 705.9**
2015	529.4	54.5	57.3	(5.8)	635.4
2014	502.8	64.7	45.8	11.6	624.9

(1) Intersegment sales from Consumer International to Consumer Domestic, which are not reflected in the table, were $3.4, $5.3 and $1.9 for the years ended December 31, 2016, 2015 and 2014, respectively.

(2) In determining income before income taxes, the Company allocated interest expense and investment earnings among the segments based upon each segment's relative Income from Operations.

(3) Corporate segment consists of equity in earnings (losses) of affiliates from Armand and ArmaKleen in 2016 and Armand, ArmaKleen and Natronx in 2015 and 2014.

Product line revenues for external customers for the years ended December 31, 2016, 2015 and 2014 were as follows:

	2016	2015	2014
Household Products	**$1,593.4**	$1,544.3	$1,466.2
Personal Care Products	**1,084.4**	1,037.3	1,005.4
Total Consumer Domestic	**2,677.8**	2,581.6	2,471.6
Total Consumer International	**525.2**	501.0	535.2
Total SPD	**290.1**	312.2	290.8
Total Consolidated Net Sales	**$3,493.1**	$3,394.8	$3,297.6

Household Products include deodorizing, cleaning and laundry products. Personal Care Products include condoms, pregnancy kits, oral care products, skin care products, hair care products and gummy dietary supplements.

Consumer Domestic

2016 compared to 2015

Consumer Domestic net sales in 2016 were $2,677.8, an increase of $96.2 or 3.7% compared to net sales of $2,581.6 in 2015. The components of the net sales change are the following:

Net Sales—Consumer Domestic	December 31, 2016
Product volumes sold	3.4%
Pricing/Product mix	(0.3%)
Volume from acquired product lines[1]	0.6%
Net Sales increase	**3.7%**

(1) Includes net sales of the brands acquired in the Toppik Acquisition since the date of acquisition.

The increase in net sales for 2016, reflects higher sales of ARM & HAMMER liquid and unit dose detergents, VITAFUSION gummy vitamins, OXICLEAN laundry additive ARM & HAMMER Cat Litter products and BATISTE dry shampoo, partially offset by lower sales of XTRA laundry detergent and L'IL CRITTERS gummy vitamins.

There continues to be significant product and price competition in the laundry detergent category. For example, P&G markets a lower-priced line of laundry detergents, Simply Tide, which competes directly with the Company's core value laundry detergents. P&G has significantly increased its discounting of Simply Tide which could have a broad negative impact on the laundry category pricing and profitability. In addition, in 2016, Henkel entered the U.S. market with Persil, its leading worldwide premium laundry detergent, and on September 1, 2016 completed its acquisition of Sun Products, the maker of All, Wisk, Sun, and private label laundry detergents. While it is too early to assess what impact this will have on the Company's laundry detergent business, the introduction of Persil and Henkel's increased scale and market share could precipitate greater price competition in the category and distribution pressure with a potential adverse impact on the Company's laundry detergent business. Moreover, the unit dose laundry detergent segment is the fastest growing segment in the laundry detergent category, having grown to approximately 16% of the category since the introduction of this form in 2012, and the Company faces pressure to achieve its proportionate share of the segment with a potential adverse

impact on its share of the laundry detergent category. The Company continues to evaluate and vigorously combat these pressures through, among other things, new product introductions and increased marketing and trade spending. Additionally, while the category grew 3.3% for the 52 weeks ended December 17, 2016 and 1.6% for the 52 weeks ended December 19, 2015, after experiencing declines in 2013 and 2014, there is no assurance the category will not decline in the future and that the Company will be able to offset any such decline.

Consumer Domestic income before income taxes for 2016 was $590.6, a $61.2 increase as compared to 2015. The increase is due primarily to the impact of higher sales volumes of $70.1, favorable commodity and manufacturing costs of $40.3, partially offset by higher SG&A costs of $24.7, unfavorable price/mix of $17.2, and higher marketing expenses of $8.7.

2015 compared to 2014

Consumer Domestic net sales in 2015 were $2,581.6, an increase of $110.0 or 4.5% compared to net sales of $2,471.6 in 2014. The components of the net sales change are the following:

Net Sales—Consumer Domestic	December 31, 2015
Product volumes sold	2.7%
Pricing/Product mix	0.3%
Acquired product lines[1]	1.3%
Other	0.2%
Net Sales increase	**4.5%**

(1) On September 19, 2014, the Company acquired certain feminine care brands from Lil' Drug Store Products Inc. Net sales of the brands acquired in the Lil' Drug Store Brands Acquisition are included in the Company's results since the date of acquisition.

The increase in net sales in 2015 includes sales from the Lil' Drug Store Brands Acquisition, higher sales from the new product launches of ARM & HAMMER CLUMP & SEAL cat litter product lines including the new lightweight variant launched in December 2014, ARM & HAMMER liquid laundry detergent, and BATISTE dry shampoo and were offset by lower sales of SPINBRUSH toothbrushes, TROJAN condoms and XTRA laundry detergent.

Since the introduction in the U.S. of unit dose laundry detergent by various manufacturers, including the Company, there has been significant product and price competition in the laundry detergent category. For example P&G markets a lower-priced line of laundry detergents that competes directly with the Company's core value laundry detergents and Henkel has entered the U.S. market with Persil, its leading worldwide premium laundry detergent. While it is too early to assess what impact this will have on the premium laundry category or the Company's laundry detergent business, the introduction of Persil could precipitate greater price competition in the category and distribution pressure with a potential adverse impact on OXICLEAN laundry detergent. The Company continues to evaluate and vigorously combat the pressures in the laundry detergent category through, among other things, new product introductions and increased marketing spending. While the category grew 1.6% in 2015 after experiencing declines in 2013 and 2014, there is no assurance the category will not decline in the future and that the Company will be able to offset any such decline.

Delays in the Company's second quarter start-up of the new vitamin manufacturing facility resulted in the need to place certain retailers on allocation, which contributed to increased retailer frustration. By the end of the

year, these issues were mainly resolved. If the Company were to lose a significant customer or if any sales of its products were to materially decrease due to customer service levels or real or perceived product quality or appearance issues, it could have a material adverse effect on the Company's business, financial condition and results of operations.

Consumer Domestic income before income taxes for 2015 was $529.4, a $26.6 increase compared to 2014. The increase is due primarily to the impact of higher sales volumes of $61.1 partially offset by higher SG&A costs of $24.1 and higher marketing expenses of $3.3. Higher manufacturing costs of $6.0 include vitamin manufacturing start-up costs, which were partially offset by productivity programs and lower commodity costs.

Consumer International

2016 compared to 2015

Consumer International net sales in 2016 were $525.2, an increase of $24.2 or 4.8% as compared to 2015. The components of the net sales change are the following:

Net Sales—Consumer International	December 31, 2016
Product volumes sold	7.3%
Pricing/Product mix	2.7%
Foreign exchange rate fluctuations	(6.0%)
Volume from acquired product lines[1]	0.8%
Net Sales increase	**4.8%**

(1) Includes net sales of the brands acquired in the Toppik Acquisition since the date of acquisition.

Excluding the impact of unfavorable foreign exchange rates, higher sales for the year occurred in exports, Canada, Mexico, and Europe. The BATISTE, ARM & HAMMER, OXICLEAN, FEMFRESH, STERIMAR, and TROJAN brands had strong sales growth.

Consumer International income before income taxes was $66.3 in 2016, an increase of $11.8 compared to 2015 due primarily to higher volumes of $23.4, favorable price/mix of $7.5 and lower SG&A of $1.4, partially offset by unfavorable foreign exchange rates of $12.2, higher marketing costs of $6.2, and higher manufacturing costs of $2.3. Last year's results included an $8.9 pension settlement charge.

2015 compared to 2014

Consumer International net sales in 2015 were $501.0, a decrease of $34.2 or 6.4% as compared to 2014. The components of the net sales change are the following:

Net Sales—Consumer International	December 31, 2015
Product volumes sold	6.7%
Pricing/Product mix	1.4%
Foreign exchange rate fluctuations / Other	(15.5%)
Acquired product lines[1]	1.0%
Net Sales increase	**(6.4%)**

(1) On September 19, 2014, the Company acquired certain feminine care brands from Lil' Drug Store Products Inc. ("Lil' Drug Store Brands Acquisition"). Net sales of the brands acquired in the Lil' Drug Store Brands Acquisition are included in the Company's results since the date of acquisition.

The decrease in Consumer International net sales in 2015 was primarily due to the impact of unfavorable foreign exchange rates in 2015 compared to 2014, which offset higher sales in Europe, Australia and Mexico.

Consumer International income before income taxes was $54.5 in 2015, a decrease of $10.2 compared to 2014 due primarily to unfavorable foreign exchange rates of $20.8, an $8.9 pension settlement charge, and higher marketing costs of $7.3, as well as, higher trade promotion, commodity and marketing costs, partially offset by higher volumes of $19.7 and favorable price/mix of $6.1.

Specialty Products

2016 compared to 2015

SPD net sales were $290.1 for 2016, a decrease of $22.1, or 7.1% compared to 2015. The components of the net sales change are the following:

Net Sales—SPD	December 31, 2016
Product volumes sold	(6.5%)
Pricing/Product mix	(0.1%)
Foreign exchange rate fluctuations	(0.5%)
Net Sales increase	**(7.1%)**

The net sales decrease in 2016 reflects lower sales in the animal productivity business driven primarily by continued low milk prices and a strong year ago results comparison. The low milk prices are principally due to an excess global supply of milk and weak exports due to a strong U.S. dollar.

SPD income before income taxes was $39.8 in 2016, a decrease of $17.5 compared to 2015. The decrease in income before income taxes for 2016 is due primarily to lower sales volume of $8.7, a plant impairment charge of $4.9, higher manufacturing costs of $4.1, and higher SG&A of $2.8 partially offset by lower other expense of $2.3 mainly as a result of foreign exchange rate changes.

2015 compared to 2014

SPD net sales were $312.2 for 2015, an increase of $21.4, or 7.3% compared to 2014. The components of the net sales change are the following:

Net Sales—SPD	December 31, 2015
Product volumes sold	0.2%
Pricing/Product mix	0.5%
Foreign exchange rate fluctuations	(3.4%)
Acquired product lines[1]	10.0%
Net Sales increase	**7.3%**

(1) On January 2, 2015, the Company acquired certain assets of Varied Industries Corporation. Net sales are included in the Company's results since the date of the VI-COR Acquisition.

The sales increase in 2015 reflects the impact of the VI-COR Acquisition, as well as, higher sales volume of performance products partially offset by lower animal nutrition products and foreign exchange fluctuations.

SPD income before income taxes was $57.3 in 2015, an increase of $11.5 compared to 2014. The increase in income before income taxes for 2015 is due primarily to higher sales volume of $18.8 and lower manufacturing costs of $10.1, partially offset by unfavorable foreign exchange rates of $6.8, SG&A of $9.1 and higher marketing expenses of $1.3.

Corporate

The Corporate segment reflects the administrative costs of the production, planning and logistics functions which are included in SG&A expenses in the operating segments but are elements of cost of sales in the Company's Consolidated Statements of Income. Such amounts were $36.6, $32.6 and $26.7 for 2016, 2015 and 2014, respectively.

Also included in corporate segment are the equity in earnings (losses) of affiliates from Armand and ArmaKleen in 2016 and Armand, ArmaKleen and Natronx in 2015 and 2014. The increase in equity in earnings of affiliates in 2016 is primarily due to the $17.0 Natronx impairment charge recorded in the second quarter of 2015.

Liquidity and capital resources

On December 4, 2015, the Company replaced its former $600.0 unsecured revolving credit facility with a $1,000.0 unsecured revolving credit facility (as amended from time to time, the "Credit Agreement"). Under the Credit Agreement, the Company has the ability to increase its borrowing up to an additional $600.0, subject to lender commitments and certain conditions as described in the Credit Agreement. Borrowings under the Credit Agreement are available for general corporate purposes and are used to support the Company's $1,000.0 commercial paper program (the "Program"). Unless extended, the Credit Agreement will terminate and all amounts outstanding thereunder will be due and payable on December 4, 2020.

As of December 31, 2016, the Company had $187.8 in cash and cash equivalents, approximately $576.0 available through the revolving facility under its Credit Agreement and its commercial paper program, and a commitment increase feature under the Credit Agreement that enables the Company to borrow up to an additional $600.0, subject to lending commitments of the participating lenders and certain conditions as described in the Credit Agreement. To preserve its liquidity, the Company invests its cash primarily in government money market funds and short term bank deposits.

During 2015, the Company liquidated its subsidiary in the Netherlands and decided that the earnings of its subsidiary in France would no longer be permanently reinvested outside of the U.S. As a result, the Company repatriated cash of $93.0. The funds repatriated were used to reduce outstanding commercial paper. As a result of liquidating its subsidiary in the Netherlands, the Company recorded a tax benefit of $2.7 in the Consolidated Statement of Income and a deferred tax benefit of $11.6 through Accumulated Other Comprehensive Income in the second quarter of 2015. As of December 31, 2016, there remains $150.1 of cash and cash equivalents held by the foreign subsidiaries t hat is considered to be permanently reinvested outside of the U.S. These funds are not needed for operations in the U.S. If they were, the Company would be required to accrue and pay taxes in the U.S. to repatriate these funds. The Company's intent is to permanently reinvest these funds outside the U.S., and the Company does not currently expect to repatriate them to fund U.S. operations.

On December 9, 2014, the Company issued $300.0 aggregate principal amount of 2.45% Senior Notes due December 15, 2019 (the "2019 Notes"). The 2019 Notes were issued under the first supplemental indenture (the "First Supplemental Indenture"), dated December 9, 2014, to the indenture dated December 9, 2014 (the "Base Indenture"), between the Company and Wells Fargo Bank, N.A., as trustee. Interest on the 2019 Notes is payable

semi-annually, beginning June 15, 2015. The 2019 Notes will mature on December 15, 2019, unless earlier retired or redeemed pursuant to the terms of the First Supplemental Indenture.

On September 26, 2012, the Company issued $400.0 aggregate principal amount of 2.875% Senior Notes due 2022 (the "2022 Notes"). The 2022 Notes were issued under the second supplemental indenture, dated September 26, 2012 (the "BNY Mellon Second Supplemental Indenture") to the indenture dated December 15, 2010 (the "BNY Mellon Base Indenture") between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee. Interest on the 2022 Notes is payable semi-annually, beginning April 1, 2013. The 2022 Notes will mature on October 1, 2022, unless earlier retired or redeemed pursuant to the terms of the BNY Mellon Second Supplemental Indenture.

The current economic environment presents risks that could have adverse consequences for the Company's liquidity. (See "Unfavorable economic conditions could adversely affect demand for the Company's products" under "Risk Factors" in Item 1A of this Annual Report.) The Company does not anticipate that current economic conditions will adversely affect its ability to comply with the financial covenant in the Credit Agreement because the Company currently is, and anticipates that it will continue to be, in compliance with the maximum leverage ratio requirement under the Credit Agreement.

On February 7, 2017, the Board declared a 7% increase in the regular quarterly dividend from $0.1775 to $0.19 per share, equivalent to an annual dividend of $0.76 per share payable to stockholders of record as of February 21, 2017. The increase raises the annual dividend payout from $183 to approximately $195, and maintains the Company's payout of dividends relative to net income at approximately 40%.

On November 2, 2016, the Board authorized a new share repurchase program, under which the Company may repurchase up to $500.0 in shares of Common Stock (the "2016 Share Repurchase Program"). The 2016 Share Repurchase Program does not have an expiration and replaced the 2015 Share Repurchase Program. The Company also continued its evergreen share repurchase program, authorized by the Board on January 29, 2014, under which the Company may repurchase, from time to time, Common Stock to reduce or eliminate dilution associated with issuances of Common Stock under the Company's incentive plans.

In 2016, the Company purchased approximately 9.0 million shares of Common Stock for $400.0, of which $103.0 was purchased under the evergreen share repurchase program, $200.0 was purchased under the 2016 Share Repurchase Program, and $97.0 was purchased under the 2015 Share Repurchase Program. As a result of the Company's purchases, there remained $300.0 under the 2016 Share Repurchase Program as of December 31, 2016.

The Company anticipates that its cash from operations, together with its current borrowing capacity, will be sufficient to meet its capital expenditure program costs, which are expected to be approximately $55.0 in 2017, fund its share repurchase programs to the extent implemented by management and pay dividends at the latest approved rate. Cash, together with the Company's current borrowing capacity, may be used for acquisitions that would complement the Company's existing product lines or geographic markets. The Company does not have any mandatory fixed rate debt principal payments in 2017.

Cash Flow Analysis

	Year Ended		
	December 31, 2016	**December 31, 2015**	**December 31, 2014**
Net cash provided by operating activities	**$ 655.3**	$ 606.1	$ 540.3
Net cash used in investing activities	**$(354.6)**	$(141.2)	$(288.4)
Net cash used in financing activities	**$(439.6)**	$(535.0)	$(306.6)

2016 compared to 2015

Net Cash Provided by Operating Activities—The Company's primary source of liquidity is its cash flow provided by operating activities, which is dependent on the level of net income and changes in working capital. The Company's net cash provided by operating activities in 2016 increased by $49.2 to $655.3 as compared to $606.1 in 2015 due to a reduction in working capital and higher cash earnings (net income plus non-cash expenses such as depreciation, amortization, non-cash compensation and asset impairment charges). The change in working capital is primarily due to higher accounts receivable, including the impact of factoring an additional $22. 3 to a bank, a de crease in inventories and higher accounts payable and accrued expenses. The Company measures working capital effectiveness based on its cash conversion cycle. The following table presents the Company's cash conversion cycle information for the quarters ended December 31, 2016 and 2015:

	As of		
	December 31, 2016	December 31, 2015	Change
Days of sales outstanding in accounts receivable ("DSO")	30	33	(3)
Days of inventory outstanding ("DIO")	51	50	1
Days of accounts payable outstanding ("DPO")	60	56	(4)
Cash conversion cycle	21	27	(6)

The Company's cash conversion cycle (defined as the sum of DSO and DIO less DPO) which is calculated using a 2 period average method, improved 6 days from the prior year amount of 27 days to 21 days at December 31, 2016 due primarily to improved DSO of 3 days from 33 to 30 days due to factoring. DIO increased 1 day from 50 to 51 days. DPO improved by 4 days as the Company continues to extend payment terms with its suppliers. The improvement in the Company's cash conversion cycle reflects the Company's continued focus on reducing its average working capital requirements.

Net Cash Used in Investing Activities—Net cash used in investing activities during 2016 was $354.6, principally reflecting $305.3 for acquisitions and $49.8 for property, plant and equipment expenditures.

Net Cash Used in Financing Activities—Net cash used in financing activities during 2016 was $439.6, primarily reflecting $400.0 of repurchases of the Company's Common Stock and $183.0 of cash dividend payments, partially offset by $80.5 of proceeds and tax benefits from stock option exercises, and $65.5 of additional commercial paper borrowings, and an additional $3.4 of short term borrowings at an international subsidiary.

2015 compared to 2014

Net Cash Provided by Operating Activities—The Company's primary source of liquidity is the strong cash flow provided by operating activities, which is dependent on the level of net income and changes in working capital. The Company's net cash provided by operating activities in 2015 increased by $65.8 to $606.1 compared to 2014 due to higher cash earnings (net income plus non-cash expenses such as depreciation, amortization, non-cash compensation and asset impairment charges) and lower working capital. The decrease in working capital is primarily due to lower accounts receivable as a result of factoring $37.8 to a bank and higher accounts payable and accrued expenses due to the timing of invoice payments. This was partially offset by higher inventory in support of higher sales. The Company measures working capital effectiveness based on its cash conversion cycle. The Company's cash conversion cycle (defined as days in accounts receivable plus days in inventory less days in accounts payable) which is calculated using a 2 period average method, improved 5 days from the prior year amount of 32 days to 27 days at December 31, 2015 due primarily to improved accounts

receivable of 4 days and accounts payable of 2 days. Inventory increased 1 day from 49 to 50 days. The improvement in the Company's cash conversion cycle reflects the Company's continued focus on reducing its average working capital requirements.

Net Cash Used in Investing Activities—Net cash used in investing activities during 2015 was $141.2, principally reflecting $74.9 for the VI-COR Acquisition and $61.8 for property, plant and equipment expenditures, in part due to the Company's new gummy dietary supplement manufacturing facility in York, Pennsylvania.

Net Cash Used in Financing Activities—Net cash used in financing activities 2015 was $535.0, primarily reflecting $363.1 of repurchases of Common Stock, $175.3 of cash dividend payments and repayment of a $250.0 bond that matured in 2015, partially offset by higher commercial paper and short term borrowings of $211.7 and $44.3 of proceeds and tax benefits from stock option exercises.

Commitments as of December 31, 2016

The table below summarizes the Company's material contractual obligations and commitments as of December 31, 2016.

	Payments Due by Period				
	Total	2017	2018 to 2019	2020 to 2021	After 2021
Short & Long-Term Debt					
2.45% Senior Notes due 2019	$ 300.0	$ 0.0	$300.0	$ 0.0	$ 0.0
2.875% Senior Notes due 2022	400.0	0.0	0.0	0.0	400.0
Commercial paper issuances	420.0	420.0	0.0	0.0	0.0
Debt obligations of foreign subsidiaries	6.8	6.8	0.0	0.0	0.0
	1,126.8	**426.8**	**300.0**	**0.0**	**400.0**
Interest on Fixed Rate Debt(1)	87.9	18.9	37.4	23.0	8.6
Lease Obligations	178.6	24.3	43.2	30.4	80.7
Other Long-Term Liabilities					
Letters of Credit and Performance Bonds(2)	3.9	3.9	0.0	0.0	0.0
Purchase Obligations(3)	214.9	141.5	63.1	10.3	0.0
Other(4)	9.0	0.5	1.0	1.0	6.5
Total	**$1,621.1**	**$615.9**	**$444.7**	**$64.7**	**$495.8**

(1) Represents interest on the Company's 2.45% Senior Notes due in 2019 and 2.875% Senior Notes due in 2022.

(2) Letters of credit with several banks guarantee payment for items such as insurance claims in the event of the Company's insolvency. Performance bonds are principally for required municipal property improvements.

(3) The Company has outstanding purchase obligations with suppliers at the end of 2016 for raw, packaging and other materials and services in the normal course of business. These purchase obligation amounts represent only those items which are based on agreements that are enforceable and legally binding, and do not represent total anticipated purchases.

(4) Other includes payments for stadium naming rights for a period of 20 years until December 2032.

Off-Balance Sheet Arrangements

The Company does not have off-balance sheet financing or unconsolidated special purpose entities.

OTHER ITEMS

Market risk

Concentration of Risk

A group of three customers accounted for approximately 35%, 35% and 36% of consolidated net sales in 2016, 2015 and 2014, respectively, of which a single customer, Wal-Mart, accounted for approximately 24%, 24% and 25% in 2016, 2015 and 2014, respectively.

Interest Rate Risk

The Company had outstanding total debt at December 31, 2016, of $1,120.2, net of debt issuance costs, of which 62% has a fixed weighted average interest rate of 2.7% and the remaining 38% constituted principally commercial paper issued by the Company that currently has a weighted average interest rate of approximately 1.0%. In December 2014, the Company entered into interest rate swap agreements on an aggregate notional amount of $300.0 to convert the fixed interest rate on the 2019 Notes to a floating rate of three-month LIBOR plus a fixed spread of 0.756%.

Other Market Risks

The Company is also subject to market risks relating to its diesel fuel costs, fluctuations in foreign currency exchange rates, and changes in the market price of the Common Stock. Refer to Note 3 to the Consolidated Financial Statements for a discussion of these market risks and the derivatives used to manage the risks associated with changing diesel fuel prices, foreign exchange rates and the price of the Company's common stock.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

This information appears under the heading "Market Risk" in the "Management's Discussion and Analysis" section. Refer to page 55 of this Annual Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Management of Church & Dwight Co., Inc. (the "Company") is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated the Company's internal control over financial reporting as of December 31, 2016. In making this assessment, management used the framework established in *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). As a result of this assessment and based on the criteria in the COSO framework, management has concluded that as of December 31, 2016, the Company's internal control over financial reporting was effective.

The Company's independent registered public accounting firm, Deloitte & Touche LLP, has audited the Company's internal control over financial reporting. Their opinions on the effectiveness of the Company's internal control over financial reporting and on the Company's consolidated financial statements and financial statement schedule appear on pages 57 and 58 of this Annual Report on Form 10-K.

/s/ MATTHEW T. FARRELL

Matthew T. Farrell
President and Chief Executive Officer

/s/ RICHARD A. DIERKER

Richard A. Dierker
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

February 24, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Church & Dwight Co., Inc.
Ewing, New Jersey

We have audited the accompanying consolidated balance sheets of Church & Dwight Co., Inc. and subsidiaries (the "Company") as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2016. Our audits also included the financial statement schedule listed in the Index at Item 15. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Church & Dwight Co., Inc. and subsidiaries as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 24, 2017 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte & Touche LLP

Parsippany, NJ
February 24, 2017

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Church & Dwight Co., Inc.
Ewing, New Jersey

We have audited the internal control over financial reporting of Church & Dwight Co., Inc. and subsidiaries (the "Company") as of December 31, 2016, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on the criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule as of and for the year ended December 31, 2016 of the Company and our report dated February 24, 2017 expressed an unqualified opinion on those consolidated financial statements and financial statement schedule.

/s/ Deloitte & Touche LLP

Parsippany, NJ
February 24, 2017

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME
(In millions, except per share data)

	Year Ended December 31,		
	2016	**2015**	**2014**
Net Sales	**$3,493.1**	$3,394.8	$3,297.6
Cost of sales	**1,902.5**	1,883.0	1,844.7
Gross Profit	**1,590.6**	1,511.8	1,452.9
Marketing expenses	**427.2**	417.5	416.9
Selling, general and administrative expenses	**439.2**	420.1	394.8
Income from Operations	**724.2**	674.2	641.2
Equity in earnings (losses) of affiliates	**9.2**	(5.8)	11.6
Investment earnings	**1.7**	1.5	2.3
Other income (expense), net	**(1.5)**	(4.0)	(2.8)
Interest expense	**(27.7)**	(30.5)	(27.4)
Income before Income Taxes	**705.9**	635.4	624.9
Income taxes	**246.9**	225.0	211.0
Net Income	**$ 459.0**	$ 410.4	$ 413.9
Weighted average shares outstanding—Basic	**257.6**	262.2	270.2
Weighted average shares outstanding—Diluted	**262.1**	267.2	275.0
Net income per share—Basic	**$ 1.78**	$ 1.57	$ 1.53
Net income per share—Diluted	**$ 1.75**	$ 1.54	$ 1.51
Cash dividends per share	**$ 0.71**	$ 0.67	$ 0.62

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In millions)

	Year Ended December 31,		
	2016	**2015**	**2014**
Net Income	**$459.0**	$410.4	$413.9
Other comprehensive income (loss), net of tax:			
Foreign exchange translation adjustments	**(11.5)**	(22.1)	(29.1)
Defined benefit plan adjustments gain (loss)	**(1.7)**	6.2	(4.7)
Income (loss) from derivative agreements	**(4.7)**	4.7	(1.1)
Other comprehensive (loss) income	**(17.9)**	(11.2)	(34.9)
Comprehensive income	**$441.1**	$399.2	$379.0

See Notes to Consolidated Financial Statements.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In millions, except share and per share data)

	December 31, 2016	December 31, 2015
Assets		
Current Assets		
Cash and cash equivalents	**$ 187.8**	$ 330.0
Accounts receivable, less allowances of $2.1 and $1.0	**287.0**	276.2
Inventories	**258.2**	274.0
Other current assets	**23.8**	25.8
Total Current Assets	**756.8**	906.0
Property, Plant and Equipment, Net	**588.6**	609.6
Equity Investment in Affiliates	**8.5**	8.4
Trade Names and Other Intangibles, Net	**1,431.8**	1,269.5
Goodwill	**1,444.1**	1,354.9
Other Assets	**124.3**	108.5
Total Assets	**$ 4,354.1**	$ 4,256.9
Liabilities and Stockholders' Equity		
Current Liabilities		
Short-term borrowings	**$ 426.8**	$ 357.2
Accounts payable and accrued expenses	**568.9**	508.3
Income taxes payable	**6.2**	7.2
Total Current Liabilities	**1,001.9**	872.7
Long-term Debt	**693.4**	692.8
Deferred Income Taxes	**512.2**	484.8
Deferred and Other Long-term Liabilities	**168.7**	183.4
Total Liabilities	**2,376.2**	2,233.7
Commitments and Contingencies		
Stockholders' Equity		
Preferred Stock, $1.00 par value, Authorized 2,500,000 shares; none issued	**0.0**	0.0
Common Stock, $1.00 par value, Authorized 300,000,000 shares; 292,855,100 shares issued	**292.8**	292.8
Additional paid-in capital	**251.4**	230.0
Retained earnings	**2,926.0**	2,650.0
Accumulated other comprehensive loss	**(63.8)**	(45.9)
Common stock in treasury, at cost: 38,892,165 shares in 2016 and 32,947,012 shares in 2015	**(1,428.5)**	(1,103.7)
Total Stockholders' Equity	**1,977.9**	2,023.2
Total Liabilities and Stockholders' Equity	**$ 4,354.1**	$ 4,256.9

See Notes to Consolidated Financial Statements.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW
(In millions)

	Year Ended December 31,		
	2016	**2015**	**2014**
Cash Flow From Operating Activities			
Net Income	**$ 459.0**	$ 410.4	$ 413.9
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation expense	**59.7**	58.3	57.1
Amortization expense	**47.9**	42.7	34.1
Deferred income taxes	**24.9**	24.0	12.7
Equity in net earnings of affiliates	**(9.2)**	(11.6)	(11.6)
Distributions from unconsolidated affiliates	**9.0**	12.0	12.5
Non-cash pension settlement charge	**0.0**	8.4	0.0
Non-cash compensation expense	**16.0**	16.1	17.0
Asset impairment charge and other asset write-offs	**5.6**	19.2	6.4
Other	**(1.8)**	5.7	3.2
Change in assets and liabilities:			
Accounts receivable	**(12.7)**	33.5	(1.8)
Inventories	**19.2**	(38.5)	1.8
Other current assets	**2.1**	(2.0)	(0.6)
Accounts payable and accrued expenses	**50.5**	21.8	2.4
Income taxes payable	**32.8**	29.7	17.5
Excess tax benefit on stock options exercised	**(30.0)**	(15.8)	(18.5)
Other operating assets and liabilities, net	**(17.7)**	(7.8)	(5.8)
Net Cash Provided By Operating Activities	**655.3**	606.1	540.3
Cash Flow From Investing Activities			
Additions to property, plant and equipment	**(49.8)**	(61.8)	(70.5)
Acquisitions	**(305.3)**	(74.9)	(215.7)
Other	**0.5**	(4.5)	(2.2)
Net Cash Used In Investing Activities	**(354.6)**	(141.2)	(288.4)
Cash Flow From Financing Activities			
Long-term debt borrowings	**0.0**	0.0	299.8
Long-term debt (repayments)	**0.0**	(250.0)	0.0
Short-term debt borrowings (repayments)	**68.9**	211.7	(6.7)
Proceeds from stock options exercised	**50.5**	28.5	32.7
Excess tax benefit on stock options exercised	**30.0**	15.8	18.5
Payment of cash dividends	**(183.0)**	(175.3)	(167.5)
Purchase of treasury stock	**(400.0)**	(363.1)	(478.8)
Deferred financing costs	**0.0**	(1.4)	(4.2)
Other	**(6.0)**	(1.2)	(0.4)
Net Cash Used In Financing Activities	**(439.6)**	(535.0)	(306.6)
Effect of exchange rate changes on cash and cash equivalents	**(3.3)**	(22.9)	(19.2)
Net Change In Cash and Cash Equivalents	**(142.2)**	(93.0)	(73.9)
Cash and Cash Equivalents at Beginning of Period	**330.0**	423.0	496.9
Cash and Cash Equivalents at End of Period	**$ 187.8**	$ 330.0	$ 423.0

See Notes to Consolidated Financial Statements.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOW—CONTINUED
(In millions)

	Year Ended December 31,		
	2016	**2015**	**2014**
Cash paid during the year for:			
Interest (net of amounts capitalized)	**$ 25.6**	$ 29.0	$ 25.7
Income taxes	**$ 188.4**	$ 174.8	$ 181.5
Supplemental disclosure of non-cash investing activities:			
Property, plant and equipment expenditures included in Accounts Payable	**$ 3.4**	$ 5.3	$ 14.5

See Notes to Consolidated Financial Statements.

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2016, 2015 and 2014
(In millions)

	Number of Shares		Amounts							
	Common Stock	Treasury Stock	Common Stock	Additional Paid-In Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Church & Dwight Co., Inc. Stockholders' Equity	Noncontrolling Interest	Total Stockholders' Equity
December 31, 2013	292.8	(15.0)	$292.8	$206.5	$2,168.5	$ 0.2	$ (368.1)	$2,299.9	$ 0.1	$2,300.0
Net income	0.0	0.0	0.0	0.0	413.9	0.0	0.0	413.9	0.0	413.9
Other comprehensive (loss) income	0.0	0.0	0.0	0.0	0	(34.9)	0.0	(34.9)	0.0	(34.9)
Cash dividends	0.0	0.0	0.0	0.0	(167.5)	0.0	0.0	(167.5)	0.0	(167.5)
Stock purchases	0.0	(13.8)	0.0	0.0	0.0	0.0	(478.8)	(478.8)	0.0	(478.8)
Stock based compensation expense and stock option plan transactions, including related income tax benefits of $18.8	0.0	2.6	0.0	11.3	0.0	0.0	56.3	67.6	0.0	67.6
Other stock issuances	0.0	0.0	0.0	0.6	0.0	0.0	1.1	1.7	(0.1)	1.6
December 31, 2014	292.8	(26.2)	$292.8	$218.4	$2,414.9	$(34.7)	$ (789.5)	$2,101.9	$ 0.0	$2,101.9
Net income	0.0	0.0	0.0	0.0	410.4	0.0	0.0	410.4	0.0	410.4
Other comprehensive (loss) income	0.0	0.0	0.0	0.0	0.0	(11.2)	0.0	(11.2)	0.0	(11.2)
Cash dividends	0.0	0.0	0.0	0.0	(175.3)	0.0	0.0	(175.3)	0.0	(175.3)
Stock purchases	0.0	(8.8)	0.0	0.0	0.0	0.0	(363.1)	(363.1)	0.0	(363.1)
Transfer of stock for settlement of share repurchase agreement	0.0	0.2	0.0	(4.1)	0.0	0.0	4.1	0.0	0.0	0.0
Stock based compensation expense and stock option plan transactions, including related income tax benefits of $15.8	0.0	2.0	0.0	15.7	0.0	0.0	44.8	60.5	0.0	60.5
December 31, 2015	292.8	(32.8)	$292.8	$230.0	$2,650.0	$(45.9)	$(1,103.7)	$2,023.2	$ 0.0	$2,023.2
Net income	**0.0**	**0.0**	**0.0**	**0.0**	**459.0**	**0.0**	**0.0**	**459.0**	**0.0**	**459.0**
Other comprehensive (loss) income	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(17.9)**	**0.0**	**(17.9)**	**0.0**	**(17.9)**
Cash dividends	**0.0**	**0.0**	**0.0**	**0.0**	**(183.0)**	**0.0**	**0.0**	**(183.0)**	**0.0**	**(183.0)**
Stock purchases	**0.0**	**(9.0)**	**0.0**	**0.0**	**0.0**	**0.0**	**(400.0)**	**(400.0)**	**0.0**	**(400.0)**
Stock based compensation expense and stock option plan transactions, including related income tax benefits of $30.0	**0.0**	**2.9**	**0.0**	**21.4**	**0.0**	**0.0**	**75.2**	**96.6**	**0.0**	**96.6**
December 31, 2016	**292.8**	**(38.9)**	**$292.8**	**$251.4**	**$2,926.0**	**$(63.8)**	**$(1,428.5)**	**$1,977.9**	**$ 0.0**	**$1,977.9**

See Notes to Consolidated Financial Statements.

1. Significant Accounting Policies

Business

The Company, founded in 1846, develops, manufactures and markets a broad range of household, personal care and specialty products. The Company sells its consumer products under a variety of brands through a broad distribution platform that includes supermarkets, mass merchandisers, wholesale clubs, drugstores, convenience stores, home stores, dollar, pet and other specialty stores and websites, all of which sell the products to consumers. The Company also sells specialty products to industrial customers and distributors.

Basis of Presentation

The accompanying Consolidated Financial Statements are presented in accordance with accounting principles generally accepted in the U.S. and include the accounts of the Company and its majority-owned subsidiaries. For equity investments in which the Company does not control or have the ability to exert significant influence over the investee, which generally is when the Company has less than a 20% ownership interest, the investments are accounted for under the cost method. In circumstances where the Company has greater than a 20% ownership interest and has the ability to exercise significant influence over, but does not control, the investee, the investment is accounted for under the equity method. As a result, the Company accounts for its 50% interest in its Armand Products Company ("Armand") joint venture and its 50% interest in The ArmaKleen Company ("ArmaKleen") joint venture under the equity method. The Company's one-third interest in its Natronx Technologies, LLC ("Natronx") joint venture was accounted for under the equity method until the remaining investment in it was fully impaired in 2015. Armand, ArmaKleen and Natronx are specialty chemical businesses. The Company's equity in earnings (losses) of Armand and ArmaKleen for the year ended December 31, 2016 and Armand, ArmaKleen and Natronx for the years ended December 31, 2015 and 2014 are included in the Corporate segment, as described in Note 16.

On August 4, 2016, the Company announced a two-for-one stock split of the Company's common stock ("Common Stock"). The stock split was structured in the form of a 100% stock dividend, payable on September 1, 2016 to stockholders of record as of August 15, 2016. All applicable amounts in the consolidated financial statements and related disclosures have been retroactively adjusted to reflect the stock split.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent gains and losses at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Management makes estimates regarding inventory valuation, promotional and sales returns reserves, the carrying amount of goodwill and other intangible assets, the realization of deferred tax assets, tax reserves, liabilities related to pensions and other postretirement benefit obligations and other matters that affect the reported amounts and other disclosures in the financial statements. These estimates are based on judgment and available information. Actual results could differ materially from those estimates, and it is possible that changes in such estimates could occur in the near term.

Revenue Recognition

Revenue is recognized when finished goods are delivered to the Company's customers or when finished goods are picked up by a customer or a customer's carrier.

Promotional and Sales Returns Reserves

The Company conducts extensive promotional activities, primarily through the use of off-list discounts, slotting, coupons, cooperative advertising, periodic price reduction arrangements, and end-aisle and other in-store displays. The costs of such activities are netted against sales. Slotting costs are recorded when the product is delivered to the customer. Costs associated with coupon redemption are recorded when coupons are circulated. Cooperative advertising costs are recorded when the customer places the advertisement for the Company's products. Discounts relating to price reduction arrangements are recorded when the related sale takes place. Costs associated with end-aisle or other in-store displays are recorded when the revenue from the product that is subject to the promotion is recognized. The reserves for sales returns and consumer and trade promotion liabilities are established based on the Company's best estimate of the amounts necessary to settle future and existing obligations for products sold as of the balance sheet date. The Company uses historical trend experience and coupon redemption provider input in arriving at coupon reserve requirements, and uses forecasted appropriations, customer and sales organization inputs, and historical trend analysis in determining the reserves for other promotional activities and sales returns.

Sales of Accounts Receivable

The Company entered into a factoring agreement with a financial institution to sell certain customer receivables at discounted rates in 2015. Transactions under this agreement are accounted for as sales of accounts receivable and were removed from the Consolidated Balance Sheet at the time of the sales transaction. The Company factored an additional $22.3 in 2016, resulting in a total of $60.1 and $37.8 as of December 31, 2016 and 2015, respectively.

Cost of Sales, Marketing and Selling, General and Administrative Expenses

Cost of sales include costs related to the manufacture of the Company's products, including raw material, inbound freight, direct labor (including employee compensation benefits) and indirect plant costs such as plant supervision, receiving, inspection, maintenance labor and materials, depreciation, taxes and insurance, purchasing, production planning, operations management, logistics, freight to customers, warehousing costs, internal transfer freight costs and plant impairment charges.

Marketing expenses include costs for advertising (excluding the costs of cooperative advertising programs, which are reflected in net sales), costs for coupon insertion (mainly the cost of printing and distribution), consumer promotion costs (such as on-shelf advertisements and floor ads), public relations, package design expense and market research costs.

Selling, general and administrative expenses ("SG&A") expenses include, among others, costs related to functions such as sales, corporate management, research and development, marketing administration, information technology and legal. Such costs include salary compensation related costs (such as benefits, incentive compensation and profit sharing), stock option costs, depreciation, travel and entertainment related expenses, professional and other consulting fees and amortization of intangible assets.

Foreign Currency Translation

Unrealized gains and losses related to currency translation are recorded in Accumulated Other Comprehensive Income (Loss). Gains and losses on foreign currency transactions are recorded in the Consolidated Statements of Income.

Cash Equivalents

Cash equivalents consist of highly liquid short-term investments and term bank deposits, which mature within three months of their original maturity date.

Inventories

Inventories are valued at the lower of cost or market. Approximately 20% and 19% of the inventory at December 31, 2016 and 2015, respectively, including substantially all inventory in the Company's Specialty Products Division ("SPD") segment as well as domestic inventory sold primarily under the ARM & HAMMER trademark in the Consumer Domestic segment, was determined utilizing the last-in, first-out ("LIFO") method. The cost of the remaining inventory was determined using the first-in, first-out ("FIFO") method. The Company identifies any slow moving, obsolete or excess inventory to determine whether an adjustment is required to establish a new carrying value. The determination of whether inventory items are slow moving, obsolete or in excess of needs requires estimates and assumptions about the future demand for the Company's products, technological changes, and new product introductions. Estimates as to the future demand used in the valuation of inventory involve judgments regarding the ongoing success of the Company's products. The Company evaluates its inventory levels and expected usage on a periodic basis and records adjustments as required. Adjustments to reflect inventory at net realizable value were $10.5 at December 31, 2016, and $12.6 at December 31, 2015.

Property, Plant and Equipment

Property, Plant and Equipment ("PP&E") are stated at cost. Depreciation is recorded using the straight-line method over the estimated useful lives of the respective assets. Estimated useful lives for building and improvements, machinery and equipment, and office equipment range from 9-40, 3-20 and 3-10 years, respectively. Routine repairs and maintenance are expensed when incurred. Leasehold improvements are depreciated over a period no longer than the respective lease term, except where a lease renewal has been determined to be reasonably assured and failure to renew the lease results in a significant penalty to the Company.

PP&E are reviewed annually and whenever events or changes in circumstances indicate that possible impairment exists. The Company's impairment review is based on an undiscounted cash flow analysis at the lowest level at which cash flows of the long-lived assets are largely independent of other groups of Company assets and liabilities. The analysis requires management judgment with respect to changes in technology, the continued success of product lines, and future volume, revenue and expense growth rates. The Company conducts annual reviews to identify idle and underutilized equipment, and reviews business plans for possible impairment. Impairment occurs when the carrying value of the asset exceeds the future undiscounted cash flows. When an impairment is indicated, the estimated future cash flows are then discounted to determine the estimated fair value of the asset and an impairment charge is recorded for the difference between the carrying value and the net present value of estimated future cash flows.

Software

The Company capitalizes certain costs of developing computer software. Amortization is recorded using the straight-line method over the estimated useful life of the software, which is estimated to be no longer than 10 years.

Fair Value of Financial Instruments

Certain financial instruments are required to be recorded at fair value. The estimated fair values of such financial instruments (including investment securities and other derivatives) have been determined using market information and valuation methodologies. Changes in assumptions or estimation methods could affect the fair value estimates. Other financial instruments, including cash equivalents and short-term debt, are recorded at cost, which approximates fair value. Additional information regarding the Company's risk management activities, including derivative instruments and hedging activities, are separately disclosed. See Notes 2 and 3.

Goodwill and Other Intangible Assets

Carrying values of goodwill, trade names and other indefinite lived intangible assets are reviewed periodically for possible impairment. The Company's impairment analysis is based on a discounted cash flow approach that requires significant judgment with respect to unit volume, revenue and expense growth rates, and the selection of an appropriate discount rate. Management uses estimates based on expected trends in making these assumptions. With respect to goodwill, impairment occurs when the carrying value of the reporting unit exceeds the discounted present value of cash flows for that reporting unit. For trade names and other intangible assets, an impairment charge is recorded for the difference between the carrying value and the net present value of estimated future cash flows, which represents the estimated fair value of the asset. Judgment is required in assessing whether assets may have become impaired between annual valuations. Indicators such as unexpected adverse economic factors, unanticipated technological change, distribution losses, or competitive activities and acts by governments and courts may indicate that an asset has become impaired. Intangible assets with finite lives are amortized over their estimated useful lives, which range from 3-20 years, using the straight-line method, and reviewed for impairment when changes in market circumstances occur.

It is possible that the Company's conclusions regarding impairment or recoverability of goodwill or other intangible assets could change in future periods if, for example, (i) the businesses or brands do not perform as projected, (ii) overall economic conditions in 2017 or future years vary from current assumptions (including changes in discount rates), (iii) business conditions or strategies change from current assumptions, (iv) investors require higher rates of return on equity investments in the marketplace or (v) enterprise values of comparable publicly traded companies, or actual sales transactions of comparable companies, were to decline, resulting in lower multiples of revenues and EBITDA.

Research and Development

The Company incurred research and development expenses in the amount of $63.2, $64.7 and $59.8 in 2016, 2015 and 2014, respectively. These expenses are included in SG&A expenses and are expensed as incurred.

Earnings Per Share ("EPS")

Basic EPS is calculated based on income available to holders of the Company's common stock ("Common Stock") and the weighted-average number of shares outstanding during the reported period. Diluted EPS includes additional dilution from potential Common Stock issuable pursuant to the exercise of outstanding stock options. The following table sets forth a reconciliation of the weighted-average number of shares of Common Stock outstanding to the weighted-average number of shares outstanding on a diluted basis:

	2016	2015	2014
Weighted average common shares outstanding—basic	**257.6**	262.2	270.2
Dilutive effect of stock options	**4.5**	5.0	4.8
Weighted average common shares outstanding—diluted	**262.1**	267.2	275.0
Antidilutive stock options outstanding	**1.4**	2.2	2.4

Employee and Director Stock Option Based Compensation

The fair value of share-based compensation is determined at the grant date and the related expense is recognized over the required employee service period in which the share-based compensation vests. The following table presents the pre-tax expense associated with the fair value of unvested stock options and restricted stock awards included in SG&A expenses and in cost of sales:

	For the Year Ended December 31,		
	2016	2015	2014
Cost of sales	**$ 1.9**	$ 1.6	$ 1.6
Selling, general and administrative expenses	**14.1**	14.5	15.4
Total	**$16.0**	$16.1	$17.0

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized to reflect the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the differences are expected to be recovered or settled. Management provides a valuation allowance against deferred tax assets for amounts which are not considered "more likely than not" to be realized. The Company records liabilities for potential assessments in various tax jurisdictions in accordance with accounting principles generally accepted in the U.S. (GAAP). The liabilities relate to tax return positions that, although supportable by the Company, may be challenged by the tax authorities and do not meet the minimum recognition threshold required under applicable accounting guidance for the related tax benefit to be recognized in the income statement. The Company adjusts this liability as a result of changes in tax legislation, interpretations of laws by courts, rulings by tax authorities, changes in estimates and the expiration of the statute of limitations. Many of the judgments involved in adjusting the liability involve assumptions and estimates that are highly uncertain and subject to change. In this regard, settlement of any issue with, or an adverse determination in litigation against, a taxing authority could require the use of cash and result in an increase in the Company's annual tax rate. Conversely, favorable resolution of an issue with a taxing authority would be recognized as a reduction to the Company's annual tax rate.

New Accounting Pronouncements Issued

In August 2016, the Financial Accounting Standards Board ("FASB") issued new accounting guidance seeking to eliminate diversity in practice related to how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The amendments address eight specific cash flow issues and are effective for fiscal years, including interim periods within those fiscal years, beginning after December 15, 2017, with early adoption permitted. The guidance will be applied on a retrospective basis beginning with the earliest period presented. This guidance is not expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

In March, April, and May of 2016, the FASB issued amended guidance that clarifies the principles for recognizing revenue. The amendments clarify the guidance for identifying performance obligations, licensing arrangements and principal versus agent considerations. The amendments additionally provide clarification on how to assess collectability, present sales tax, treat noncash consideration, and account for completed and modified contracts at the time of transition. The guidance is effective for annual periods, including interim reporting periods within those periods, beginning after December 15, 2017, and allows companies to apply the requirements retrospectively, either to all prior periods presented or through a cumulative adjustment in the year of adoption. The new standard will be effective for the Company at the beginning of its first quarter of fiscal year 2018. The guidance is not expected to have a material impact on its consolidated financial position, results of operations or cash flows.

In March 2016, the FASB issued new accounting guidance that makes modifications to how companies account for certain aspects of share-based payment awards to employees, including accounting for income taxes, forfeitures, and statutory withholding requirements, as well as the classification of excess tax benefits in the statement of cash flows. The guidance is effective for annual and interim periods beginning after December 15, 2016. The Company will adopt the standard in the first quarter of fiscal year 2017 and will elect to adopt the cash flow presentation of the excess tax benefits prospectively. The Company has also elected to continue to estimate forfeitures expected to occur to determine the amount of compensation cost to be recognized in each period. The adoption is expected to impact the Company's income tax provision on its Consolidated Statements of Income and its operating and financing cash flows on its Consolidated Statements of Cash Flows. The impact of adopting this standard on the consolidated financial statements will be dependent on the timing and intrinsic value of future share-based compensation award exercises.

In February 2016, the FASB issued new lease accounting guidance, requiring lessees to recognize right-of-use lease assets and lease liabilities on the balance sheet for those leases previously classified as operating leases, with a term greater than a year. The new guidance also expands the required quantitative and qualitative disclosures surrounding leases. The guidance is effective for annual and interim periods beginning after December 15, 2018, and requires a modified retrospective adoption, with early adoption permitted. The Company is currently evaluating the impact that adoption of the guidance will have on its consolidated financial position, results of operations and cash flows.

There have been no other accounting pronouncements issued but not yet adopted by the Company which are expected to have a material impact on the Company's consolidated financial position, results of operations or cash flows.

2. Fair Value Measurements

Fair Value Hierarchy

Accounting guidance on fair value measurements and disclosures establishes a hierarchy that prioritizes the inputs used to measure fair value (generally, assumptions that market participants would use in pricing an asset or liability) based on the quality and reliability of the information provided by the inputs, as follows:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market-based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Fair Values of Other Financial Instruments

The following table presents the carrying amounts and estimated fair values of the Company's other financial instruments at December 31, 2016 and December 31, 2015:

		December 31, 2016		December 31, 2015	
	Input Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets:					
Cash equivalents	**Level 1**	**$ 72.4**	**$ 72.4**	$ 89.3	$ 89.3
Financial Liabilities:					
Short-term borrowings	**Level 2**	**426.8**	**426.8**	357.2	357.2
2.875% Senior notes	**Level 2**	**399.8**	**396.9**	399.7	390.5
2.45% Senior notes	**Level 2**	**299.9**	**302.0**	299.9	296.0
Fair value adjustment asset (liability) related to hedged fixed rate debt instrument	**Level 2**	**0.2**	**0.2**	1.3	1.3

The Company recognizes transfers between input levels as of the actual date of the event. There were no transfers between input levels during the twelve months ended December 31, 2016.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments reflected in the Consolidated Balance Sheets:

Cash Equivalents: Cash equivalents consist of highly liquid short-term investments and term bank deposits, which mature within three months. The estimated fair value of the Company's cash equivalents approximates their carrying value.

Short-Term Borrowings: The carrying amounts of the Company's unsecured lines of credit and commercial paper issuances approximates fair value because of their short maturities and variable interest rates.

Senior Notes: The Company determines the fair value of its senior notes based on their quoted market value or broker quotes, when possible. In the absence of observable market quotes, the notes are valued using non-binding market consensus prices that the Company seeks to corroborate with observable market data.

Hedged Fixed Rated Debt: The interest rate swap agreements convert the fixed interest rate to a variable rate based on LIBOR. These agreements are designated as hedges of the changes in fair value of the underlying debt

obligation attributable to changes in interest rates and are accounted for as fair value hedges. The fair value of these interest rate swap agreements is reflected in the Consolidated Balance Sheet within Other Assets or Deferred and Other Long-term Liabilities, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

Other : The carrying amounts of accounts receivable, and accounts payable and accrued expenses, approximated estimated fair values as of December 31, 2016 and 2015.

3. Derivative Instruments and Risk Management

Changes in interest rates, foreign exchange rates, the price of the Common Stock and commodity prices expose the Company to market risk. The Company manages these risks by the use of derivative instruments, such as cash flow and fair value hedges, diesel hedge contracts, equity derivatives and foreign exchange forward contracts. The Company does not use derivatives for trading or speculative purposes.

The Company formally designates and documents qualifying instruments as hedges of underlying exposures when it enters into derivative arrangements. Changes in the fair value of derivatives designated as hedges and qualifying for hedge accounting are recorded in other comprehensive income and reclassified into earnings during the period in which the hedged exposure affects earnings. The Company reviews the effectiveness of its hedging instruments on a quarterly basis. If the Company determines that a derivative instrument is no longer highly effective in offsetting changes in fair values or cash flows, it recognizes the hedge ineffectiveness in current period earnings and discontinues hedge accounting with respect to the derivative instrument. Changes in the fair value of derivatives not designated as hedges or those not qualifying for hedge accounting are recognized in current period earnings. Upon termination of cash flow hedges, the Company reclassifies gains and losses from other comprehensive income based on the timing of the underlying cash flows, unless the termination results from the failure of the intended transaction to occur in the expected timeframe. Such untimely transactions require immediate recognition in earnings of gains and losses previously recorded in other comprehensive income.

During 2016 and 2015, the Company used derivative instruments to mitigate risk, some of which were designated as hedging instruments. The tables following the discussion of the derivative instruments below summarize the fair value of the Company's derivative instruments and the effect of derivative instruments on the Company's consolidated statements of income and on other comprehensive income.

Derivatives Designated as Hedging Instruments

Diesel Fuel Hedges

The Company uses independent freight carriers to deliver its products. These carriers currently charge the Company a basic rate per mile for diesel fuel price increases. During 2016 and 2015, the Company entered into hedge agreements with counterparties to mitigate the volatility of diesel fuel prices, and not to speculate in the future price of diesel fuel. Under the hedge agreements, the Company agreed to pay a fixed price per gallon of diesel fuel determined at the time the agreements were executed and to receive a floating rate payment that is determined on a monthly basis based on the average price of the Department of Energy's Diesel Fuel Index during the applicable month and is designed to offset any increase or decrease in fuel costs that the Company pays to it common carriers. The agreements covered approximately 32% of the Company's 2016 diesel fuel requirements and are expected to cover approximately 32% of the Company's estimated diesel fuel requirements for 2017. These diesel fuel hedge agreements qualify for hedge accounting. Therefore, changes in the fair value of such agreements are recorded under Accumulated Other Comprehensive Income (Loss) on the balance sheet.

Foreign Currency

The Company is subject to exposure from fluctuations in foreign currency exchange rates, primarily U.S. Dollar/Euro, U.S. Dollar/ Pound, U.S. Dollar/Canadian Dollar, U.S. Dollar/Mexican Peso, U.S. Dollar/Australian Dollar, U.S. Dollar/Brazilian Real and U.S. Dollar/Chinese Yuan.

The Company enters into forward exchange contracts to reduce the impact of foreign exchange rate fluctuations related to anticipated but not yet committed sales or purchases denominated in U.S. Dollar, Canadian Dollar, Pound and Euro. The Company entered into forward exchange contracts to hedge itself from the risk that, due to fluctuations in currency exchange rates, it would be adversely affected by net cash outflows. The face value of the unexpired contracts as of December 31, 2016 totaled $95.9 in U.S. Dollars, of which $94.1 qualify as foreign currency cash flow hedges and, therefore, changes in the fair value of the contracts are recorded in Other Comprehensive Income (Loss) and reclassified to earnings when the hedged transaction affected earnings.

Interest Rate Swaps

On December 9, 2014, the Company entered into interest rate swap agreements that effectively convert the interest rate on the $300.0 aggregate principal amount of 2.45% senior notes, due December 15, 2019, to a floating rate of three-month LIBOR plus a fixed spread of 0.756%. These interest rate swap agreements have been designated as hedges of the changes in fair value of the underlying debt obligation attributable to changes in interest rates and are accounted as fair value hedges. The fair value of these interest rate swap agreements is reflected in the Consolidated Balance Sheet within Other Assets or Deferred and Other Long-term Liabilities, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

Derivatives not Designated as Hedging Instruments

Equity Derivatives

The Company has entered into equity derivative contracts covering the Common Stock in order to minimize its liability under its Executive Deferred Compensation Plan resulting from changes in the quoted fair values of the Common Stock to participants who have investments under the Plan in a notional Common Stock fund. The contracts are settled in cash. Since the equity derivatives contracts do not qualify for hedge accounting, the Company is required to mark such contracts to market throughout the contract term and record changes in fair value in the consolidated statement of income.

The notional amount of a derivative instrument is the nominal or face amount used to calculate payments made on that instrument. Notional amounts are presented in the following table:

	Notional Amount December 31, 2016	Notional Amount December 31, 2015
Derivatives designated as hedging instruments		
Foreign exchange contracts	**$ 94.1**	**$ 118.0**
Interest rate swap	**$ 300.0**	**$ 300.0**
Diesel fuel contracts	**2.0 gallons**	**2.0 gallons**
Derivatives not designated as hedging instruments		
Foreign exchange contracts	**$ 1.8**	**$ 33.2**
Equity derivatives	**$ 34.4**	**$ 32.4**

The fair values and amount of gain (loss) recognized in income and other comprehensive income associated with the derivative instruments disclosed above do not have a material impact on the Company's consolidated financial statements.

4. Inventories

Inventories consist of the following:

	December 31, 2016	December 31, 2015
Raw materials and supplies	**$ 69.8**	$ 84.6
Work in process	**28.8**	33.1
Finished goods	**159.6**	156.3
Total	**$258.2**	$274.0

Inventories valued using the LIFO method totaled $51.8 and $53.2 at December 31, 2016 and 2015, respectively, and would have been approximately $4.2 and $3.8 higher, respectively, had they been valued using the FIFO method. The amount of LIFO liquidations in 2016 and 2015 were immaterial.

5. Property, Plant and Equipment, Net ("PP&E")

PP&E consist of the following:

	December 31, 2016	December 31, 2015
Land	**$ 25.1**	$ 25.2
Buildings and improvements	**284.7**	277.3
Machinery and equipment	**680.1**	665.2
Software	**90.4**	84.9
Office equipment and other assets	**60.8**	59.2
Construction in progress	**24.2**	33.2
Gross PP&E	**1,165.3**	1,145.0
Less accumulated depreciation and amortization	**576.7**	535.4
Net PP&E	**$ 588.6**	$ 609.6

	For the Year Ended December 31,		
	2016	2015	2014
Depreciation and amortization on PP&E	**$59.7**	$58.3	$57.1

6. Acquisitions

On December 22, 2016, the Company acquired the ANUSOL and RECTINOL (the "Anusol Acquisition") business from Johnson & Johnson, Inc. for $130. These are the leading hemorrhoid care brands in each market in which they operate, primarily in the U.K., Canada, Australia and South Africa with total annual sales of $24 in 2016. The acquisition was funded with additional short-term borrowings and will be managed in the Consumer International segment.

The preliminary fair values of the net assets acquired are set forth as follows:

	2016 Anusol
Inventory and other working capital	$ 0.5
Trade names and other intangibles	91.7
Goodwill	37.8
Cash purchase price	**$130.0**

The life of the amortizable intangible assets recognized from the Anusol Acquisition ranges from 15—20 years. The goodwill is a result of expected synergies from combined operations of the acquisition and the Company. Pro forma results are not presented because the impact is not material to the Company's consolidated financial results.

On January 4, 2016, the Company acquired Spencer Forrest, Inc., the maker of TOPPIK, (the " Toppik Acquisition"), the leading brand of hair building fibers for people with thinning hair. The total purchase price was $175.3. The Company financed the acquisition with short-term borrowings. This brand is managed within the Consumer Domestic and Consumer International segments.

The fair values of the net assets acquired are set forth as follows:

	2016 Toppik
Inventory and other working capital	$ 9.3
Property, plant and equipment and other long-term assets	0.2
Trade names and other intangibles	115.8
Goodwill	52.3
Current liabilities	(2.3)
Cash purchase price (net of cash acquired)	**$175.3**

The life of the amortizable intangible assets recognized from the Toppik Acquisition ranges from 10—20 years. The goodwill is a result of expected synergies from combined operations of the acquisition and the Company. Pro forma results are not presented because the impact is not material to the Company's consolidated financial results.

On January 2, 2015, the Company acquired VI-COR, a manufacturer and seller of feed ingredients for cows, beef cattle, poultry and other livestock for cash consideration of $74.9, and a $5.0 payment to be made after one year if a certain operating performance is achieved. The Company financed the acquisition with available cash. Based on 2015 operating results, the Company made a $4.6 payment in 2016. These brands are managed within the SPD segment.

The fair values of the net assets acquired are set forth as follows:

	2015 VI-COR
Inventory and other working capital	$ 1.1
Property, plant and equipment	6.4
Trade names and other intangibles	42.1
Goodwill	29.9
Purchase Price	$79.5
Fair value of contingent payment due in one year	(4.6)
Cash purchase price	$74.9

The life of the amortizable intangible assets recognized from the VI-COR Acquisition ranges from 5—15 years. The goodwill is a result of expected synergies from combined operations of the acquired assets and the Company. Pro forma results are not presented because the impact is not material to the Company's consolidated financial results.

On September 19, 2014, the Company acquired certain feminine care brands, including REPHRESH and REPLENS, from Lil' Drug Store Products, Inc., ("Lil' Drug Store Brands Acquisition") for cash consideration of $215.7. The Company paid for the acquisition with additional debt. These feminine care brands are managed within the Consumer Domestic and Consumer International segments.

The fair values of the net assets acquired are set forth as follows:

	2014 Lil' Drug Store
Inventory and other working capital	$ 3.2
Property, plant and equipment	0.7
Trade names and other intangibles	109.0
Goodwill	102.8
Purchase Price	$215.7

The life of the amortizable intangible assets recognized from the Lil' Drug Store Brands Acquisition ranges from 5—20 years. The goodwill is a result of expected synergies from combined operations of the acquisition and the Company. Pro forma results are not presented because the impact is not material to the Company's consolidated financial results.

The goodwill and other intangible assets associated with the Anusol Acquisition, the Toppik Acquisition, the VI-COR Acquisition, and Lil' Drug Store Brands Acquisition are deductible for U.S. tax purposes.

7. Goodwill and Other Intangibles, Net

The following table provides information related to the carrying value of all intangible assets, other than goodwill:

	December 31, 2016				December 31, 2015		
	Gross Carrying Amount	Accumulated Amortization	Net	Amortization Period (Years)	Gross Carrying Amount	Accumulated Amortization	Net
Amortizable intangible assets:							
Trade names	**$442.6**	**$(115.0)**	**$327.6**	3-20	$259.5	$ (96.4)	$163.1
Customer Relationships	**384.4**	**(164.2)**	**220.2**	15-20	372.4	(141.8)	230.6
Patents/Formulas	**68.7**	**(45.4)**	**23.3**	4-20	57.4	(41.9)	15.5
Non Compete Agreement	**1.8**	**(1.6)**	**0.2**	5-10	1.8	(1.5)	0.3
Total	**$897.5**	**$(326.2)**	**$571.3**		$691.1	$(281.6)	$409.5

Indefinite lived intangible assets—Carrying value	December 31, 2016	December 31, 2015
Trade names	**$860.5**	$860.0

The increase in indefinite lived intangible assets is due to changes in foreign exchange rates.

In 2014, the Company recorded an impairment charge of $5.0 for an intangible asset related to the Consumer Domestic segment. This charge is included in selling, general and administrative expenses in this segment and was the result of reduced sales and profitability related to the product line. The amount of the charge was determined from estimating that future cash flows would not be sufficient to recover the carrying amount of the asset.

The Company determined that the carrying value of all trade names as of December 31, 2016 and 2015, was recoverable based upon the forecasted cash flows and profitability of the brands. The Company continues to monitor performance and should there be any significant change in forecasted assumptions or estimates, including sales, profitability and discount rate, the Company may be required to recognize an impairment charge.

Intangible amortization expense amounted to approximately $46.0 for 2016, $39.9 for 2015 and $31.7 for 2014, respectively. The Company estimates that intangible amortization expense will be approximately $49.0 in 2017 and approximately $40.0 to $50.0 annually over the next five years.

The changes in the carrying amount of goodwill for the years ended December 31, 2016 and 2015 are as follows:

	Consumer Domestic	Consumer International	Specialty Products	Total
Balance at December 31, 2014	$1,242.2	$ 62.6	$20.2	$1,325.0
VI-COR acquired goodwill	0.0	0.0	29.9	29.9
Balance at December 31, 2015	$1,242.2	$ 62.6	$50.1	$1,354.9
Toppik acquired goodwill	**38.7**	**13.6**	**0.0**	**52.3**
Anusol acquired goodwill	**0.0**	**37.8**	**0.0**	**37.8**
Other	**(0.8)**	**(0.1)**	**0.0**	**(0.9)**
Balance at December 31, 2016	**$1,280.1**	**$113.9**	**$50.1**	**$1,444.1**

The result of the Company's annual goodwill impairment test, performed in the beginning of the second quarter of 2016, determined that the estimated fair value substantially exceeded the carrying values of all reporting units. The determination of fair value contains numerous variables that are subject to change as business conditions change and therefore could impact fair value in the future. The Company has never incurred a goodwill impairment charge.

8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses consist of the following:

	December 31, 2016	December 31, 2015
Trade accounts payable	**$331.6**	$293.9
Accrued marketing and promotion costs	**82.0**	91.5
Accrued wages and related benefit costs	**73.2**	59.4
Other accrued current liabilities	**82.1**	63.5
Total	**$568.9**	$508.3

9. Short -Term Borrowings and Long-Term Debt

Short-term borrowings and long-term debt consist of the following:

	December 31, 2016	December 31, 2015
Short-term borrowings		
Commercial paper issuances	**$420.0**	$354.5
Various debt due to international banks	**6.8**	2.7
Total short-term borrowings	**$426.8**	$357.2
Long-term debt		
2.875% Senior notes due October 1, 2022	**$400.0**	$400.0
Less: Discount	**(0.2)**	(0.3)
2.45% Senior notes due December 15, 2019	**300.0**	300.0
Less: Discount	**(0.1)**	(0.1)
Debt issuance costs, net	**(6.5)**	(8.1)
Fair value adjustment related to hedged fixed rate debt instrument	**0.2**	1.3
Net long-term debt	**$693.4**	$692.8

Revolving Credit Facility

On December 4, 2015, the Company replaced its former $600.0 unsecured revolving credit facility with a $1,000.0 unsecured revolving credit facility (as amended, the "Credit Agreement"). Under the Credit Agreement, the Company has the ability to increase its borrowing up to an additional $600.0, subject to lender commitments and certain conditions as described in the Credit Agreement.

Borrowings under the Credit Agreement are available for general corporate purposes, and are used to support the Company's $1,000.0 commercial paper program (the "Program"). Unless extended, the Credit Agreement will terminate and all amounts outstanding thereunder will be due and payable on December 4, 2020.

Interest on the Company's borrowings under the Credit Agreement will accrue at a per annum rate equal to the sum of (x) either (at the Company's option) (i) the adjusted LIBOR rate (generally, the LIBOR rate for an interest period selected by the Company and adjusted for statutory reserves) or (ii) the Base Rate (generally the highest of (a) the Federal Funds Rate plus 0.50%, (b) Bank of America's "prime rate" and (c) the LIBOR rate for an interest period of one month plus 1.00%) plus (y) the applicable margin. The applicable margin is determined based upon the corporate credit rating of the Company and ranges from 0.875% to 1.75% per annum, in the case of any borrowing bearing interest by reference to the adjusted LIBOR rate, and 0% to 0.75%, in the case of any borrowing bearing interest by reference to the Base Rate.

The Credit Agreement contains customary affirmative and negative covenants, including without limitation, restrictions on the indebtedness, liens, investments, asset dispositions, fundamental changes, changes in the nature of the business conducted, affiliate transactions, burdensome agreements and use of proceeds.

Under the Credit Agreement, the Company is required to maintain its leverage ratio, defined as the ratio of Consolidated Funded Indebtedness (as defined in the Credit Agreement) to Consolidated EBITDA, at a level no greater than 3.50 to 1.00. However, if the Company consummates a material acquisition, the maximum leverage ratio increases to a level of 3.75 to 1.00 during the twelve month period commencing on the date of such acquisition. The Company was in compliance with the financial covenant in the Credit Agreement as of December 31, 2016.

The Credit Agreement also contains customary events of default, including without limitation, failure to make certain payments when due, materially incorrect representations and warranties, breach of covenants, events of bankruptcy, default on other indebtedness, changes in control with respect to the Company, material adverse judgments, certain events relating to pension plans and the failure of any of the loan documents relating to the Credit Agreement to remain in full force and effect. Certain parties to the Credit Agreement, and affiliates of those parties, provide banking, investment banking and other financial services to the Company from time to time.

2.45% Senior Notes

On December 9, 2014, the Company issued $300.0 aggregate principal amount of 2.45% Senior Notes due 2019 (the "2019 Notes"). The 2019 Notes were issued under the first supplemental indenture (the "First Supplemental Indenture"), dated December 9, 2014, to the indenture dated December 9, 2014 (the "Base Indenture"), between the Company and Wells Fargo Bank, N.A., as trustee. Interest on the 2019 Notes is payable semi-annually, on each June 15 and December 1. The 2019 Notes will mature on December 15, 2019, unless earlier retired or redeemed as described below.

The Company may redeem the 2019 Notes, at any time in whole or from time to time in part, prior to their maturity date at a redemption price equal to the greater of: (i) 100% of the principal amount of the 2019 Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the First Supplemental Indenture), plus 15 basis points. In addition, at any time on or after November 15, 2019 (one month prior to the maturity date of the notes), the Company may redeem the notes in whole or in part, at a redemption price equal to 100% of the principal amount of the notes to be redeemed. In addition, if the Company undergoes a "change of control" (as defined in the First Supplemental Indenture), and if, generally within 60 days thereafter, the 2019 Notes are rated below investment grade by each of the rating agencies designated in the First Supplemental Indenture, the Company will be required to offer to repurchase the 2019 Notes at 101% of par plus accrued and unpaid interest to the date of repurchase.

The 2019 Notes are senior unsecured obligations and rank equal in right of payment to the Company's other senior unsecured debt from time to time outstanding. The 2019 Notes are effectively subordinated to any secured debt the Company incurs to the extent of the collateral securing such secured debt, and will be structurally subordinated to all future and existing obligations of the Company's subsidiaries.

The Base Indenture and the First Supplemental Indenture contain covenants that, among other things, restrict the Company's ability to create liens and engage in sale-leaseback transactions, consolidations, mergers and dispositions of all or substantially all of the Company's assets. These covenants are subject to a number of exceptions and qualifications.

2.875% Senior Notes

On September 26, 2012, the Company issued $400.0 aggregate principal amount of 2.875% Senior Notes due 2022 (the "2022 Notes"). The 2022 Notes were issued under the second supplemental indenture dated September 26, 2012 (the "BNY Mellon Second Supplemental Indenture") to the indenture dated December 15, 2010 (the "BNY Mellon Base Indenture") between the Company and The Bank of New York Mellon Trust Company, N.A. ("BNY Mellon"), as trustee. Interest on the 2022 Notes is payable semi-annually, on each April 1 and October 1. The 2022 Notes will mature on October 1, 2022, unless earlier retired or redeemed as described below.

The Company may redeem the 2022 Notes, at any time in whole or from time to time in part, prior to their maturity date at a redemption price equal to the greater of: (i) 100% of the principal amount of the 2022 Notes being redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon (not including any portion of such payments of interest accrued as of the date of redemption), discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the BNY Mellon Second Supplemental Indenture), plus 20 basis points. In addition, if the Company undergoes a "change of control" (as defined in the BNY Mellon Second Supplemental Indenture), and if, generally within 60 days thereafter, the 2022 Notes are rated below investment grade by each of the rating agencies designated in the BNY Mellon Second Supplemental Indenture, the Company will be required to offer to repurchase the 2022 Notes at 101% of par plus accrued and unpaid interest to the date of repurchase.

The 2022 Notes are senior unsecured obligations and rank equal in right of payment to the Company's other senior unsecured debt from time to time outstanding. The 2022 Notes are effectively subordinated to any secured

debt the Company incurs to the extent of the collateral securing such secured debt, and will be structurally subordinated to all future and existing obligations of the Company's subsidiaries.

The BNY Mellon Base Indenture and the BNY Mellon Second Supplemental Indenture contain covenants that, among other things, restrict the Company's ability to create liens and engage in sale-leaseback transactions, consolidations, mergers and dispositions of all or substantially all of the Company's assets. These covenants are subject to a number of exceptions and qualifications.

Commercial Paper

The Company has an agreement with two banks to establish a commercial paper program (the "Program"). Under the Program, the Company may issue notes from time to time up to an aggregate principal amount outstanding at any given time of $1,000.0. The maturities of the notes will vary but may not exceed 397 days. The notes will be sold under customary terms in the commercial paper market and will be issued at a discount to par or, alternatively, will be sold at par and will bear varying interest rates based on a fixed or floating rate basis. The interest rates will vary based on market conditions and the ratings assigned to the notes by the rating agencies designated in the agreement at the time of issuance. Subject to market conditions, the Company intends to utilize the Program as its primary short-term borrowing facility and does not intend to sell unsecured commercial paper notes in excess of the available amount under the revolving credit agreement. If, for any reason, the Company is unable to access the commercial paper market, the revolving credit facility would be utilized to meet the Company's short-term liquidity needs. The Company had $420.0 of commercial paper outstanding as of December 31, 2016 with a weighted-average interest rate of approximately 1.0% and $354.5 as of December 31, 2015 with a weighted-average interest rate less than 0.8%.

Interest Rate Swaps

Concurrent with the 2019 Notes offering, the Company entered into interest rate swaps to hedge changes in the fair value of the 2019 Notes. Under the terms of the swaps, the counterparties will pay the Company a fixed rate of 2.45% and the Company will pay interest at a floating rate of three-month LIBOR plus a fixed spread of 0.756%. The fair value of these interest rate swap agreements is reflected in the Consolidated Balance Sheet within Other Assets or Deferred and Other Long-term Liabilities, with an offsetting amount recorded in long-term debt to adjust the carrying amount of the hedged debt obligation.

Other Debt

The Company's Brazilian subsidiary has lines of credit that enable it to borrow in its local currency subject to various interest rates that fluctuate with the interbank interest rate. The various credit lines expire and are renewed on a regular basis. Amounts available under the lines of credit total $3.1 at current exchange rates. There were borrowings of $2.5 and $2.7 outstanding as of December 31, 2016 and 2015, respectively, under the lines of credit. In addition, this subsidiary has taken out three fixed term, fixed interest loans totaling $4.3, at the current exchange rate, with guarantees from the Company. These loans will come due in the first, second and third quarters of 2017. During the fourth quarter of 2016, the Company decided to sell its Brazilian chemical business to focus on its Brazilian consumer business. The Company anticipates the transaction to close during the first quarter of 2017.

10. Income Taxes

The components of income before taxes are as follows:

	2016	2015	2014
Domestic	**$665.0**	$595.6	$574.1
Foreign	**40.9**	39.8	50.8
Total	**$705.9**	$635.4	$624.9

The following table summarizes the provision for U.S. federal, state and foreign income taxes:

	2016	2015	2014
Current:			
U.S. federal	**$183.4**	$161.4	$159.0
State	**27.2**	25.5	24.4
Foreign	**11.4**	14.1	14.9
	222.0	201.0	198.3
Deferred:			
U.S. federal	**19.2**	22.8	11.5
State	**4.1**	3.3	1.1
Foreign	**1.6**	(2.1)	0.1
	24.9	24.0	12.7
Total provision	**$246.9**	$225.0	$211.0

Deferred tax assets (liabilities) consist of the following at December 31:

	2016	2015
Deferred tax assets:		
Accounts receivable	**$ 4.8**	$ 4.6
Deferred compensation	**69.7**	67.9
Pension, postretirement and postemployment benefits	**7.7**	8.7
Investment in Natronx	**7.7**	7.7
Other	**30.8**	24.4
Tax credit carryforwards/other tax attributes	**12.8**	14.4
International operating loss carryforwards	**8.0**	6.2
Total gross deferred tax assets	**141.5**	133.9
Valuation allowances	**(20.2)**	(16.3)
Total deferred tax assets	**121.3**	117.6
Deferred tax liabilities:		
Goodwill	**(212.3)**	(193.5)
Trade names and other intangibles	**(322.9)**	(312.4)
Property, plant and equipment	**(97.1)**	(95.6)
Total deferred tax liabilities	**(632.3)**	(601.5)
Net deferred tax liability	**$(511.0)**	$(483.9)
Long term net deferred tax asset	**1.2**	0.9
Long term net deferred tax liability	**(512.2)**	(484.8)
Net deferred tax liability	**$(511.0)**	$(483.9)

The difference between tax expense and the tax that would result from the application of the federal statutory rate is as follows:

	2016	2015	2014
Statutory rate	**35%**	35%	35%
Tax that would result from use of the federal statutory rate	**$247.1**	$222.4	$218.7
State and local income tax, net of federal effect	**20.3**	18.7	16.5
Varying tax rates of foreign affiliates	**(4.1)**	(2.6)	(3.6)
Benefit from domestic manufacturing deduction	**(14.2)**	(14.4)	(14.3)
Resolution of tax contingencies	**0.0**	0.0	(1.5)
Valuation Allowances	**2.9**	8.5	0.9
Other	**(5.1)**	(7.6)	(5.7)
Recorded tax expense	**$246.9**	$225.0	$211.0
Effective tax rate	**35.0%**	35.4%	33.8%

At December 31, 2016, certain foreign subsidiaries of the Company had net operating loss carryforwards of approximately $26.3. Approximately $1.0 of such net operating loss carryforwards expire on various dates through December 31, 2021. The remaining net operating loss carryforwards are not subject to expiration.

The Company believes that it is more likely than not that the benefit from these net operating loss carryforwards will not be realized. In recognition of this risk, the Company has provided a valuation allowance of $8.0 and $6.2 at December 31, 2016 and 2015, respectively, on the deferred tax asset relating to these net operating loss carryforwards.

The Company also believes that it is more likely than not that the benefit from certain additional deferred tax assets of a foreign subsidiary will not be realized. In recognition of this risk, the Company maintains a valuation allowance of $4.5 and $2.4 at December 31, 2016 and 2015, respectively, on these deferred tax assets.

In 2015, the Company reported an impairment charge relating to its investment in Natronx. The Company believes that it is more likely than not that a tax benefit relating to the impairment will not be realized. In recognition of this risk, the Company established a valuation allowance of $7.7 in 2015, and maintains a valuation allowance of $7.7 at December 31, 2016.

In 2015, the Company liquidated its subsidiary in the Netherlands and decided that the earnings of its subsidiary in France would no longer be permanently reinvested outside of the U.S. As a result, the Company repatriated cash of $93.0. The funds repatriated were used to reduce outstanding commercial paper. As a result of liquidating its subsidiary in the Netherlands, the Company recorded a tax benefit of $2.7 in the 2015 Consolidated Statement of Income and a deferred tax benefit of $11.6 through Accumulated Other Comprehensive Income.

The Company had undistributed earnings of foreign subsidiaries of approximately $142.9 at December 31, 2016 for which U.S deferred taxes have not been provided. These earnings, which are considered to be permanently reinvested, would be subject to U.S. tax if they were remitted as dividends. It is not practicable to determine the deferred tax liability on these earnings because of the large number of assumptions necessary to compute the tax. The Company continues to monitor events or circumstances that may change its intention to remit undistributed earnings.

In prior years, the Company has recorded liabilities in connection with uncertain tax positions, which, although supportable by the Company, may be challenged by tax authorities. Under applicable accounting guidance, these tax positions do not meet the minimum threshold required for the related tax benefit to be recognized in the income statement. The Company has no uncertain tax positions or unrecognized tax benefits at December 31, 2016.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows:

	2016	2015	2014
Unrecognized tax benefits at January 1	**$0.0**	$ 4.0	$ 5.9
Gross increases—tax positions in prior period	**0.0**	0.0	0.0
Gross decreases—tax positions in prior period	**0.0**	(3.7)	(1.5)
Settlements	**0.0**	0.0	0.0
Lapse of statute of limitations	**0.0**	(0.3)	(0.4)
Unrecognized tax benefits at December 31	**$0.0**	$ 0.0	$ 4.0

In 2014, the Company recognized a benefit from the reversal of approximately $1.7 in income tax expense and $0.1 in interest expense associated with certain tax liabilities as the result of the settlement of an IRS audit for the years 2010, 2011 and 2012 and the lapse of applicable statutes of limitation of several state taxing authorities.

The Company is subject to U.S. federal income tax as well as income tax in multiple state and international jurisdictions. The IRS has completed its audit of tax years through 2012. The Company is currently under audit

by several state and international taxing authorities for the years 2013 through 2015. The Company does not anticipate that the settlement of audits within the next twelve months will result in a significant change in unrecognized tax benefits.

The Company's policy for recording interest associated with uncertain tax positions is to record interest as a component of income before income taxes. During the twelve months ended December 31, 2016, the Company did not recognize any interest expense relating to uncertain tax positions. During the twelve months ended December 31, 2015 and December 31, 2014, the Company recognized a net reversal of accrued interest expense associated with uncertain tax positions of approximately $0.2, and $0.1, respectively. As of December 31, 2016 and December 31, 2015, the Company had no accrued interest expense related to unrecognized tax benefits.

11. Stock Based Compensation Plans and Other Benefit Plans

The Company has options outstanding under four equity compensation plans. Under the Amended and Restated Omnibus Equity Plan, the Company may grant options and other stock-based awards to employees and directors. Under the 1983 Stock Option Plan and the Stock Award Plan, the Company granted options to key management employees. Under the Stock Option Plan for Directors, the Company granted options to non-employee directors. Following adoption of the original Omnibus Equity Plan by stockholders in 2008, no further grants were permitted under the other equity compensation plans. Options outstanding under the plans are issued at market value on the date of grant, vest on the third anniversary of the date of grant and must be exercised within ten years of the date of grant. If, upon termination of a participant's employment (other than a termination for cause), a participant is at least 55 years old, has at least five years of service, and the sum of the participant's age and years of service is at least 65, the participant may exercise any stock options granted in 2007 or later within a period of three years from the date of termination or, if earlier, the date such stock options otherwise would have expired, subject to specified conditions. Issuances of Common Stock to satisfy employee option exercises currently are made from treasury stock.

Stock option transactions for the three years ended December 31, 201 6 were as follows:

	Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value
Outstanding as of December 31, 2013	17.5	$19.74		
Granted	2.3	34.81		
Exercised	(2.6)	12.57		
Cancelled	(0.2)	28.16		
Outstanding as of December 31, 2014	17.0	$22.75		
Granted	2.2	41.91		
Exercised	(1.8)	15.56		
Cancelled	(0.2)	30.95		
Outstanding as of December 31, 2015	17.2	$25.89		
Granted	2.1	46.75		
Exercised	(3.0)	16.96		
Cancelled	(0.3)	39.60		
Outstanding as of December 31, 2016	**16.0**	**$30.06**	**5.8**	**$233.5**
Exercisable as of December 31, 2016	**9.7**	**$22.91**	**4.3**	**$207.0**

The following table summarizes information relating to options outstanding and exercisable as of December 31, 2016:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Outstanding as of 12/31/2016	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Exercisable as of 12/31/2016	Weighted Average Exercise Price
$10.01 - $15.00	2.2	1.8	$13.58	2.2	$13.58
$15.01 - $20.00	1.2	3.4	$16.68	1.2	$16.68
$20.01 - $25.00	1.4	4.3	$20.32	1.4	$20.32
$25.01 - $30.00	2.3	5.2	$26.91	2.3	$26.91
$30.01 - $35.00	4.8	6.4	$32.65	2.6	$30.98
$40.01 - $45.00	2.8	8.4	$41.88	0.0	$ 0.00
$45.01 - $50.00	1.3	9.4	$49.36	0.0	$ 0.00
	16.0	5.8	$30.06	9.7	$22.91

The table above represents the Company's estimate of options fully vested and expected to vest. Expected forfeitures are not material and, therefore, are not reflected in the table above.

The following table provides information regarding the intrinsic value of stock options exercised and stock compensation expense related to stock option awards:

	2016	2015	2014
Intrinsic Value of Stock Options Exercised	**$91.5**	$49.0	$58.0
Stock Compensation Expense Related to Stock Option Awards	**$14.4**	$14.8	$15.2
Issued Stock Options	**2.1**	2.2	2.3
Weighted Average Fair Value of Stock Options issued (per share)	**$7.57**	$6.85	$6.41
Fair Value of Stock Options Issued	**$16.1**	$15.3	$15.0

The following table provides a summary of the assumptions used in the valuation of issued stock options:

	2016	2015	2014
Risk-free interest rate	**1.7%**	2.0%	2.0%
Expected life in years	**6.8**	6.3	6.2
Expected volatility	**17.0%**	17.2%	20.4%
Dividend yield	**1.5%**	1.6%	1.8%

The fair value of stock options is based upon the Black Scholes option pricing model. The Company determined the stock options' lives based on historical exercise behavior and their expected volatility and dividend yield based on the historical changes in stock price and dividend payments. The risk free interest rate is based on the yield of an applicable term Treasury instrument.

As of December 31, 2016, there was a fair value of $8.9 related to unamortized stock option compensation expense, which is expected to be recognized over the next three years. The Company's Consolidated Statements of Cash Flow reflect an add back to Net Cash Provided by Operating Activities of $16.0, $16.1 and $17.0 in 2016, 2015 and 2014, respectively, for non-cash compensation expense, primarily stock option expense. Cash

flow from Financing Activities includes $30.0, $15.8 and $18.5 in 2016, 2015 and 2014, respectively, of excess tax benefits on stock options exercised. The total tax benefit for 2016, 2015 and 2014 was $30.0, $15.8 and $18.8, respectively.

Other Benefit Plans

International Pension Plan Terminations

In 2016 the Company authorized the termination of international defined benefit pension plans under which approximately 336 participants, including 53 active employees, have accrued benefits. The Company anticipates completing the termination of this plan by the end of the second quarter of 2017, once regulatory approvals are obtained. In addition to plan assets, the Company will need to make a one-time payment of $20.0 to $26.0 ($14.0 to $19.0 after tax) to purchase annuities for participants. The Company estimates that it will incur a one-time expense of $49.0 to $55.0 ($40.0 to $45.0 after tax) in 2017 when the plan settlement is completed. This expense primarily includes the effect of the additional cash payment required at settlement and pension settlement accounting rules which require accelerated recognition of actuarial losses that were to be amortized over the expected benefit lives of participants. The estimated expense is subject to change based on valuations at the actual date of settlement. Upon the termination of these plans in 2017, the Company will have no further obligations with respect to material defined benefit pension plans.

On December 31, 2014, the Company terminated an international defined benefit pension plan under which approximately 270 participants, including approximately 90 active employees, had accrued benefits. The Company completed the termination of this plan in the second quarter of 2015, after regulatory approvals were obtained. The Company made a cash contribution of $0.5 to provide for final accrued benefits and recorded a one-time expense in SG&A of $8.9 ($6.7 after tax) in the Consumer International segment when the plan settlement was completed. This expense is primarily attributable to pension settlement accounting rules which require accelerated recognition of actuarial losses that were to be amortized over the expected benefit lives of participants.

Deferred Compensation Plans

The Company maintains a deferred compensation plan under which certain members of management are eligible to defer a maximum of 85% of their regular compensation (i.e. salary) and incentive bonus. The amounts deferred under this plan are credited with earnings or losses based upon changes in values of notional investments elected by the plan participant. The investment options available include notional investments in various stock, bond and money market funds as well as Common Stock. Each plan participant is fully vested in the amounts the participant defers. The plan also functions as an “excess” plan whereby profit sharing contributions that cannot otherwise be contributed to the qualified savings and profit sharing plan due to limitations under Department of Treasury regulations are credited to this plan. These contributions vest under the same vesting schedule applicable to the qualified plan.

The liability to plan participants for contributions designated for notional investment in Common Stock is based on the quoted fair value of the Common Stock plus any dividends credited. The Company uses cash-settled hedging instruments to minimize the cost related to the volatility of Common Stock. At December 31, 2016 and 2015, the amount of the Company’s liability under the deferred compensation plan is included in Deferred and Other Long-term Liabilities and was $98.3 and $95.8, respectively and the funded balances recorded in Other Assets amounted to $73.9 and $70.6, respectively. The amounts charged to earnings, including the effect of the hedges, totaled $2.3, $2.1, and $1.8 in 2016, 2015 and 2014, respectively.

Non-employee members of the Company’s Board are eligible to defer up to 100 % of their directors’ compensation into a similar plan; however, the only option for investment is Common Stock. Members of the

Board are fully vested in their account balance. As of December 31, 2016, there were approximately 307 thousand shares of Common Stock from shares held as Treasury Stock in a rabbi trust to protect the interest of the directors' deferred compensation plan participants in the event of a change of control.

12. Share Repurchases

On November 2, 2016, the Board authorized a new share repurchase program, under which the Company may repurchase up to $500 million in shares of Common Stock (the "2016 Share Repurchase Program"). The 2016 Share Repurchase Program does not have an expiration and replaced the 2015 Share Repurchase Program. The Company also continued its evergreen share repurchase program, authorized by the Board on January 29, 2014, under which the Company may repurchase, from time to time, Common Stock to reduce or eliminate dilution associated with issuances of Common Stock under the Company's incentive plans.

In 2016, the Company purchased approximately 9.0 million shares of Common Stock for $400.0, of which $103.0 was purchased under the evergreen share repurchase program, $200.0 was purchased under the 2016 Share Repurchase Program, and $97.0 was purchased under the 2015 Share Repurchase Program. As a result of the Company's purchases, there remained $300.0 under the 2016 Share Repurchase Program as of December 31, 2016.

13. Accumulated Other Comprehensive Income (Loss)

Comprehensive income is defined as net income and other changes in stockholders' equity from transactions and other events from sources other than stockholders.

The components of changes in accumulated other comprehensive income ("AOCI") are as follows:

	Foreign Currency Adjustments	Defined Benefit Plans	Derivative Agreements	Accumulated Other Comprehensive Income (Loss)
Balance December 31, 2013	$ 12.7	$(13.0)	$ 0.5	$ 0.2
Other comprehensive income before reclassifications	(29.1)	(7.7)	(0.8)	(37.6)
Amounts reclassified to consolidated statement of income[(a)]	0.0	0.8	(1.4)	(0.6)
Tax benefit (expense)	0.0	2.2	1.1	3.3
Other comprehensive income (loss)	(29.1)	(4.7)	(1.1)	(34.9)
Balance December 31, 2014	$(16.4)	$(17.7)	$(0.6)	$(34.7)
Other comprehensive income before reclassifications	(35.8)	3.0	9.6	(23.2)
Amounts reclassified to consolidated statement of income[(a)]	0.0	5.2	(3.0)	2.2
Tax benefit (expense)	13.7	(2.0)	(1.9)	9.8
Other comprehensive income (loss)	(22.1)	6.2	4.7	(11.2)
Balance December 31, 2015	$(38.5)	$(11.5)	$ 4.1	$(45.9)
Other comprehensive income before reclassifications	**(12.1)**	**(2.2)**	**(5.9)**	**(20.2)**
Amounts reclassified to consolidated statement of income[(a)]	**0.0**	**0.0**	**(0.1)**	**(0.1)**
Tax benefit (expense)	**0.6**	**0.5**	**1.3**	**2.4**
Other comprehensive income (loss)	**(11.5)**	**(1.7)**	**(4.7)**	**(17.9)**
Balance December 31, 2016	**$(50.0)**	**$(13.2)**	**$(0.6)**	**$(63.8)**

(a) Amounts reclassified to cost of sales and selling, general and administrative expenses.

14. Commitments, Contingencies and Guarantees

Commitments

a. Operating lease rent expense, included in income from operations, amounted to $18.8, $18.5 and $19.7 in 2016, 2015 and 2014, respectively. Beginning January 1, 2013, financing lease expense was recorded primarily for the Company's Corporate Headquarters building. In 2016, interest expense associated with this lease amounted to $4.0 and depreciation expense amounted to $2.5.

The Company is obligated to pay minimum annual rentals under different operating and financing lease agreements as follows:

	Operating Leases	Financing Leases	Total
2017	$18.6	$ 5.7	$ 24.3
2018	16.9	6.0	22.9
2019	14.3	6.0	20.3
2020	10.8	6.0	16.8
2021	7.6	6.0	13.6
2022 and thereafter	13.4	67.3	80.7
Total future minimum lease commitments	$81.6	$97.0	$178.6

b. The Company has a partnership with a supplier of raw materials that mines and processes sodium-based mineral deposits. The Company purchases the majority of its sodium-based raw material requirements from the partnership. The partnership agreement for the partnership terminates upon two years' written notice by either partner. Under the partnership agreement, the Company has an annual commitment to purchase 240,000 tons of sodium-based raw materials at the prevailing market price. With the exception of the Natronx Technologies LLC ("Natronx") joint venture, in which the Company and the partner supplier are each one-third owners, the Company is not engaged in any other material transactions with the partnership or the partner supplier.

c. As of December 31, 2016, the Company had commitments of approximately $223.9. These commitments include the purchase of raw materials, packaging supplies and services from its vendors at market prices to enable the Company to respond quickly to changes in customer orders or requirements, as well as costs associated with licensing and promotion agreements.

d. As of December 31, 2016, the Company had various guarantees and letters of credit of approximately $21.2.

e. On November 8, 2011, the Company acquired a license for certain oral care technology for cash consideration of $4.3. In addition to this initial payment, the Company was required to make advance royalty payments of up to $5.5 upon the launch of a product utilizing the licensed technology, of which the entire $5.5 had been made as of December 31, 2015. As of December 31, 2016, no additional payments are required under the license agreement. However, upon the approval of certain New Drug Applications by the U.S. Food and Drug Administration for products incorporating the acquired technology, the Company would be required to make an additional $7.0 license payment.

Legal proceedings

f. The Company has been named as a defendant in a breach of contract action filed by Scantibodies Laboratory, Inc. (the "Plaintiff") on April 1, 2014 in the U.S. District Court for the Southern District of New York.

The complaint alleges, among other things, that the Company (i) breached two agreements for the manufacture and supply of pregnancy and ovulation test kits by switching suppliers, (ii) failed to give Plaintiff the proper notice, (iii) failed to reimburse Plaintiff for costs and expenses under the agreements and (iv) misrepresented its future requirements. The complaint seeks compensatory and punitive damages in an amount in excess of $20.0, as well as declaratory relief, statutory prejudgment interest and attorneys' fees and costs.

The Company is vigorously defending itself in this matter. On June 16, 2014, the Company filed an amended answer to the complaint denying all of the Plaintiff's material allegations. The parties have been engaged in fact and expert discovery, which is ongoing.

In connection with this matter, the Company has reserved an amount that it does not believe is material. Although any damages ultimately paid by the Company may exceed this amount, it is not currently possible to estimate the amount of any such excess; however, any such excess could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

g. In addition, in conjunction with the Company's acquisition and divestiture activities, the Company entered into select guarantees and indemnifications of performance with respect to the fulfillment of the Company's commitments under applicable purchase and sale agreements. The arrangements generally indemnify the buyer or seller for damages associated with breach of contract, inaccuracies in representations and warranties surviving the closing date and satisfaction of liabilities and commitments retained under the applicable contract. Representations and warranties that survive the closing date generally survive for periods up to five years or the expiration of the applicable statutes of limitations. Potential losses under the indemnifications are generally limited to a portion of the original transaction price, or to other lesser specific dollar amounts for select provisions. With respect to sale transactions, the Company also routinely enters into non-competition agreements for varying periods of time. Guarantees and indemnifications with respect to acquisition and divestiture activities, if triggered, could have a materially adverse impact on the Company's financial condition and results of operations.

h. The Company, in the ordinary course of its business is the subject of, or party to, various pending or threatened legal actions, government investigations and proceedings from time to time, including, without limitation, those relating to, intellectual property, commercial transactions, product liability, purported consumer class actions, employment matters, antitrust, environmental, health, safety and other compliance related matters. Such proceedings are subject to many uncertainties and the outcome of certain pending or threatened legal actions may not be reasonably predictable and any related damages may not be estimable. Certain legal actions, including those described above, could result in an adverse outcome for the Company, and any such adverse outcome could have a material adverse effect on the Company's business, financial condition, results of operations and cash flows.

15. Related Party Transactions

The following summarizes the balances and transactions between the Company and each of (i) Armand and ArmaKleen, in which the Company holds a 50% ownership interest, and (ii) Natronx, in which the Company holds a one-third ownership interest:

	Armand			ArmaKleen			Natronx		
	Year Ended December 31,			Year Ended December 31,			Year Ended December 31,		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Purchases by Company	**$20.9**	$24.2	$26.4	**$0.0**	$0.0	$0.0	**$0.0**	$0.0	$0.0
Sales by Company	**$ 0.0**	$ 0.0	$ 0.0	**$1.0**	$1.3	$1.2	**$0.8**	$2.1	$2.0
Outstanding Accounts Receivable	**$ 0.5**	$ 0.5	$ 0.6	**$0.7**	$0.6	$0.8	**$0.0**	$0.1	$0.1
Outstanding Accounts Payable	**$ 1.7**	$ 1.8	$ 2.1	**$0.0**	$0.0	$0.0	**$0.0**	$0.0	$0.0
Administration & Management Oversight Services[1]	**$ 2.3**	$ 2.3	$ 2.1	**$2.0**	$2.0	$2.0	**$0.4**	$0.8	$0.8

(1) Billed by Company and recorded as a reduction of selling, general and administrative expenses.

During 2015, the Company impaired its remaining investment in Natronx and recorded a $17.0 charge. This charge is primarily a result of lower than expected demand for the joint venture's products as a result of a shift in the electric utility industry from coal-fired to natural gas-supplied power plants, continued delays in the implementation of updated federal regulations, and indirectly, the recent U.S. Supreme Court ruling against the Environmental Protection Agency ("EPA") where the court stated that the EPA failed to properly consider the costs to implement the regulations. The Company believed that the foregoing factors would likely further delay the demand for these products. The Company assessed the value of the investment using both income and market based valuation methods. The charge was recorded in the Corporate segment in Equity in Earnings (Losses) of Affiliates.

16. Segments

Segment Information

The Company operates three reportable segments: Consumer Domestic, Consumer International and Specialty Products Division. These segments are determined based on differences in the nature of products and organizational and ownership structures. The Company also has a Corporate segment.

Segment revenues are derived from the sale of the following products:

Segment	Products
Consumer Domestic	Household and personal care products
Consumer International	Primarily personal care products
SPD	Specialty chemical products

The Corporate segment income consists of equity in earnings (losses) of affiliates. As of December 31, 2016, the Company held 50% ownership interests in each of Armand and ArmaKleen, respectively, and a one-third ownership interest in Natronx. The Company's equity in earnings (losses) of Armand and ArmaKleen for the year ended December 31, 2016 and Armand, ArmaKleen and Natronx for the years ended December 31, 2015 and 2014 are included in the Corporate segment.

Some of the subsidiaries that are included in the Consumer International segment manufacture and sell personal care products to the Consumer Domestic segment. These sales are eliminated from the Consumer International segment results set forth in the table below.

The following table presents selected financial information relating to the Company's segments for each of the three years in the period ended December 31, 2016:

	Consumer Domestic	Consumer International	SPD	Corporate[1]	As Reported
Net sales					
2016	**$2,677.8**	**$525.2**	**$290.1**	**$ 0.0**	**$3,493.1**
2015	2,581.6	501.0	312.2	0.0	3,394.8
2014	2,471.6	535.2	290.8	0.0	3,297.6
Gross profit					
2016	**1,308.8**	**235.4**	**83.0**	**(36.6)**	**1,590.6**
2015	1,215.7	226.8	101.9	(32.6)	1,511.8
2014	1,160.9	242.1	76.6	(26.7)	1,452.9
Marketing Expenses					
2016	**345.2**	**78.2**	**3.8**	**0.0**	**427.2**
2015	336.5	76.6	4.4	0.0	417.5
2014	333.2	80.5	3.2	0.0	416.9
Selling, General and Administrative Expenses					
2016	**350.7**	**89.0**	**36.1**	**(36.6)**	**439.2**
2015	326.2	93.3	33.2	(32.6)	420.1
2014	302.0	93.9	25.6	(26.7)	394.8
Income from Operations					
2016	**612.9**	**68.2**	**43.1**	**0.0**	**724.2**
2015	553.0	56.9	64.3	0.0	674.2
2014	525.7	67.6	47.9	0.0	641.2
Equity in Earnings (Losses) of Affiliates					
2016	**0.0**	**0.0**	**0.0**	**9.2**	**9.2**
2015	0.0	0.0	0.0	(5.8)	(5.8)
2014	0.0	0.0	0.0	11.6	11.6
Income Before Income Taxes					
2016	**590.6**	**66.3**	**39.8**	**9.2**	**705.9**
2015	529.4	54.5	57.3	(5.8)	635.4
2014	502.8	64.7	45.8	11.6	624.9
Identifiable Assets					
2016	**3,374.4**	**714.5**	**181.3**	**83.9**	**4,354.1**
2015	3,449.9	521.0	206.5	79.5	4,256.9
2014	3,502.9	619.8	135.1	101.4	4,359.2
Capital Expenditures					
2016	**34.9**	**8.8**	**6.1**	**0.0**	**49.8**
2015	51.5	7.2	3.1	0.0	61.8
2014	59.2	8.4	2.9	0.0	70.5

	Consumer Domestic	Consumer International	SPD	Corporate[1]	As Reported
Depreciation & Amortization					
2016	**87.8**	**9.5**	**8.6**	**1.7**	**107.6**
2015	82.6	7.9	8.5	2.0	101.0
2014	76.7	7.6	5.2	1.7	91.2

(1) The Corporate segment reflects the following:

(A) The administrative costs of the production planning and logistics functions are included in segment Selling, General and Administrative expenses but are elements of Cost of Sales in the Company's Consolidated Statements of Income. Such amounts were $36.6, $32.6, and $26.7 for 2016, 2015 and 2014, respectively.

(B) Equity in earnings (loss) of affiliates from Armand and ArmaKleen for the year ended December 31, 2016 and Armand, ArmaKleen and Natronx for the years ended December 31, 2015 and 2014.

(C) Corporate assets include notes receivable, domestic deferred income taxes, deferred compensation investments and the Company's investment in unconsolidated affiliates.

Other than the differences noted in footnote (1) and (2) above, the accounting policies followed by each of the segments, including intersegment transactions, are substantially consistent with the accounting policies described in Note 1.

Intersegment sales from Consumer International to Consumer Domestic, which are not reflected in the table above, were $3.4, $5.3 and $1.9 for the twelve months ended December 31, 2016, December 31, 2015 and December 31, 2014, respectively.

Product line revenues from external customers for each of the three years ended December 31, 2016, December 31, 2015 and December 31, 2014 were as follows:

	2016	2015	2014
Household Products	**$1,593.4**	$1,544.3	$1,466.2
Personal Care Products	**1,084.4**	1,037.3	1,005.4
Total Consumer Domestic	**2,677.8**	2,581.6	2,471.6
Total Consumer International	**525.2**	501.0	535.2
Total SPD	**290.1**	312.2	290.8
Total Consolidated Net Sales	**$3,493.1**	$3,394.8	$3,297.6

Household Products include laundry, deodorizing, and cleaning products. Personal Care Products include condoms, pregnancy kits, oral care products, skin care products, hair care products and gummy dietary supplements.

Geographic Information

Approximately 84%, 83% and 81% of the net sales reported in the accompanying consolidated financial statements in 2016, 2015 and 2014, respectively, were to customers in the U.S. Approximately 98%, 96% and 96% of long-lived assets were located in the U.S. at December 31, 2016, 2015 and 2014, respectively. Other than the U.S., no one country accounts for more than 5% of consolidated net sales and 5% of total assets.

Customers

A group of three customers accounted for approximately 35%, 35% and 36% of consolidated net sales in 2016, 2015 and 2014, respectively, of which a single customer (Wal-Mart Stores, Inc. and its affiliates) accounted for approximately 24%, 24% and 25% in 2016, 2015 and 2014, respectively.

17. Brazil's Chemical Business

During fourth quarter of 2016, the Company decided to sell its Brazilian chemical business to focus on its Brazilian consumer business, resulting in a plant impairment charge of $4.9 recognized in the fourth quarter of 2016 based upon an anticipated selling price. During the first quarter of 2017, the Company signed an agreement to sell the business, resulting in an approximate $5.0 expense for severance and other charges. Sales for the Brazilian chemical business in 2016 were approximately $22.0. The Company anticipates the transaction to close during the first quarter.

18. Subsequent Event

Viviscal Acquisition

On January 17, 2017, the Company acquired the VIVISCAL business ("the Viviscal Acquisition") from Lifes2Good Holdings Limited for approximately $160.0. Viviscal is the number one hair care supplement brand both in the U.S. and the United Kingdom with global annual sales of $44.0 in 2016. This brand is complementary to the Company's global BATISTE dry shampoo and TOPPIK hair care business. The acquisition was funded with short-term borrowings and will be managed in the Consumer Domestic and Consumer International segments.

19. Unaudited Quarterly Financial Information

The unaudited quarterly results of operations are prepared in conformity with generally accepted accounting principles and reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the results of operations for the periods presented. Adjustments are of a normal, recurring nature, except as discussed in the accompanying notes. Due to rounding differences, the sum of the quarterly amounts may not add precisely to the annual amounts.

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
2016					
Net Sales	**$849.0**	**$877.4**	**$870.7**	**$896.0**	**$3,493.1**
Gross Profit	**379.0**	**408.0**	**395.6**	**408.0**	**1,590.6**
Income from Operations	**179.5**	**175.3**	**196.0**	**173.4**	**724.2**
Net Income	**113.0**	**111.6**	**124.0**	**110.4**	**459.0**
Net Income per Share-Basic	**$ 0.44**	**$ 0.43**	**$ 0.48**	**$ 0.43**	**$ 1.78**
Net Income per Share-Diluted	**$ 0.43**	**$ 0.43**	**$ 0.47**	**$ 0.42**	**$ 1.75**
2015					
Net Sales	$812.3	$847.1	$861.8	$873.6	$3,394.8
Gross Profit	355.5	373.1	385.8	397.4	1,511.8
Income from Operations	172.1	142.3	190.6	169.2	674.2
Net Income[(1)]	107.2	73.7	120.4	109.1	410.4
Net Income per Share-Basic[(1)(2)]	$ 0.41	$ 0.28	$ 0.46	$ 0.42	$ 1.57
Net Income per Share-Diluted[(1)(2)]	$ 0.40	$ 0.28	$ 0.45	$ 0.41	$ 1.54

(1) The second quarter of 2015 Net Income includes a $17.0 or $0.06 per share impairment charge to write-off the remaining investment in Natronx.
(2) The second quarter of 2015 Income from Operations includes an $8.9 pre-tax charge or $0.03 per share to terminate an international defined benefit pension plan.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

ITEM 9A. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) at the end of the period covered by this Annual Report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures as of the end of the period covered by this Annual Report are effective to provide reasonable assurance that the information required to be disclosed by the Company in reports filed under the Exchange Act are (i) recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding the disclosure.

b) Management's Report on Internal Control Over Financial Reporting

The Company's management's report on internal control over financial reporting is set forth in Item 8 of this Annual Report and is incorporated by reference herein. The Company's independent registered public accounting firm has issued an audit report on the effectiveness of the Company's internal control over financial reporting, which is set forth in Item 8 of this Annual Report.

c) Change in Internal Control over Financial Reporting

No change in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the Company's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information required by this item is incorporated by reference to the information under the captions "Election of Directors," "Our Executive Officers," "Section 16(a) Beneficial Ownership Reporting Compliance," "Corporate Governance and Other Board Matters—Code of Conduct," and "Corporate Governance and Other Board Matters—Board of Directors Meetings and Committees—Audit Committee," in the Company's definitive proxy statement which will be filed with the Commission not later than 120 days after the close of the fiscal year covered by this Annual Report.

ITEM 11. EXECUTIVE COMPENSATION

Information required by this item is incorporated by reference to the information under the captions "Compensation Discussion and Analysis," "2016 Summary Compensation Table," "2016 Grants of Plan Based Awards," "2016 Outstanding Equity Awards at Fiscal Year-End," "2016 Option Exercises and Stock Vested," "2016 Nonqualified Deferred Compensation," "Potential Payments Upon Termination or Change in Control" and "Compensation & Organization Committee Report" in the Company's definitive proxy statement which will be filed with the Commission not later than 120 days after the close of the fiscal year covered by this Annual Report.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Information required by this item is incorporated by reference to the information under the captions "Equity Compensation Plan Information as of December 31, 2016" and "Securities Ownership of Certain Beneficial Owners and Management" in the Company's definitive proxy statement, which will be filed with the Commission not later than 120 days after the close of the fiscal year covered by this Annual Report.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Information required by this item is incorporated by reference to the information under the caption "Corporate Governance and other Board Matters – Board of Directors Independence" in the Company's definitive proxy statement which will be filed with the Commission not later than 120 days after the close of the fiscal year covered by this Annual Report.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

Information required by this item is incorporated by reference to the information under the caption "Fees Paid to Independent Registered Public Accounting Firm" in the Company's definitive proxy statement which will be filed with the Commission not later than 120 days after the close of the fiscal year covered by this Annual Report.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) 1. **Financial Statements and Schedule**

The following Consolidated Financial Statements are included in Item 8 of this Form 10-K:

Consolidated Statements of Income for each of the three years in the period ended December 31, 2016 59
Consolidated Balance Sheets as of December 31, 2016 and 2015 60
Consolidated Statements of Cash Flow for each of the three years in the period ended December 31, 2016 61
Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 2016 63
Notes to Consolidated Financial Statements 64
Schedule II—Valuation and Qualifying Accounts for each of the three years in the period ended December 31, 2016 102

(a) 3. **Exhibits**

Unless otherwise noted, the file number for all Company filings with the Securities and Exchange Commission referenced below is 1-10585.

(3.1) Restated Certificate of Incorporation of the Company, as amended, incorporated by reference to Exhibit 3.2 to the Company's quarterly report on Form 10-Q for the quarter ended March 27, 2009.

(3.2) By-laws of the Company, amended and restated as of January 27, 2016, incorporated by reference to Exhibit 3.1 to the Company's current report on Form 8-K filed on February 2, 2016.

(4.1) Indenture, dated as of December 15, 2010, between Church & Dwight Co., Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 2.875% Notes due 2022, incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed on December 15, 2010.

(4.2) Second Supplemental Indenture, dated as of September 26, 2012, between Church & Dwight Co., Inc. and The Bank of New York Mellon Trust Company, N.A., as trustee, relating to the 2.875% Notes due 2022, incorporated by reference to Exhibit 4.2 to the Company's current report on Form 8-K filed on September 26, 2012.

(4.3) Indenture, dated as of December 9, 2014, between Church & Dwight Co., Inc. and Wells Fargo Bank, National Association, as trustee, incorporated by reference to Exhibit 4.1 to the Company's current report on Form 8-K filed on December 9, 2014.

(4.4) First Supplemental Indenture, dated as of December 9, 2014, between Church & Dwight Co., Inc. and Wells Fargo Bank, National Association, as trustee, relating to the 2.450% Notes due 2019, incorporated by reference to Exhibit 4.2 to the Company's current report on Form 8-K filed on December 9, 2014.

(10.1) Credit Agreement dated December 4, 2015, among Church & Dwight Co., Inc., the initial lenders named therein, Bank of America, N.A., as administrative agent, swing line lender, and L/C issuer, SunTrust Bank and Wells Fargo Bank, National Association, as syndication agents and swing line lenders, Bank of Montreal, Deutsche Bank Securities Inc., HSBC Bank USA, National Association, The Bank of Nova Scotia and The Bank of Tokyo-Mitsubishi UFJ, LTD., as Documentation Agents, and Merrill Lynch, Pierce, Fenner & Smith Incorporated, SunTrust Robinson Humphrey, Inc. and Wells Fargo Securities, LLC, as joint lead arrangers and joint bookrunners, incorporated by reference to Exhibit 99.1 to the Company's current report on Form 8-K filed on December 7, 2015.

•	(10.2)	Form of Commercial Paper Dealer Agreement, dated February 23, 2017, by and between Church & Dwight Co., Inc. and Dealer.
•	(10.3)	Form of Amended and Restated Commercial Paper Dealer Agreement, dated February 23, 2017, by and between Church & Dwight Co., Inc. and Dealer.
	(10.4)	Stock Purchase Agreement, dated as of August 17, 2012, among Church & Dwight Co., Inc., Avid Health, Inc., the Seller Representative and the sellers party thereto, incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed on August 20, 2012.
*	(10.5)	Church & Dwight Co., Inc. Executive Deferred Compensation Plan, effective as of June 1, 1997, incorporated by reference to Exhibit 10(f) to the Company's annual report on Form 10-K for the year ended December 31, 1997.
*	(10.5.1)	Amendment to the Church & Dwight Co., Inc. Executive Deferred Compensation Plan, effective January 1, 2007, incorporated by reference to Exhibit 10.4.1 to the Company's annual report on Form 10-K for the year ended December 31, 2011.
*	(10.5.2)	Amendment to the Church & Dwight Co., Inc. Executive Deferred Compensation Plan, effective February 1, 2012, incorporated by reference to Exhibit 10.4.2 to the Company's annual report on Form 10-K for the year ended December 31, 2011.
*	(10.6)	Church & Dwight Co., Inc. Executive Deferred Compensation Plan II, amended and restated as of January 1, 2012, incorporated by reference to Exhibit 10.5 to the Company's annual report on Form 10-K for the year ended December 31, 2011.
*	(10.7)	Amended and Restated Deferred Compensation Plan for Directors effective as of May 1, 2008 incorporated by reference to Exhibit 10.5 to the Company's quarterly report on Form 10-Q for the quarter ended March 28, 2008.
*	(10.8)	Amended and Restated Compensation Plan for Directors, effective January 1, 2015, incorporated by reference to Exhibit 10.7 to the Company's annual report on Form 10-K for the year ended December 31, 2015.
*	(10.9)	The Stock Option Plan for Directors, effective as of January 1, 1991, incorporated by reference to Exhibit 10(j) to the Company's annual report on Form 10-K for the year ended December 31, 2005.
*	(10.10)	The Church & Dwight Co., Inc. Stock Award Plan as amended, incorporated by reference to Exhibit 10 to the Company's quarterly report on Form 10-Q for the quarter ended June 29, 2007.
*	(10.11)	Church & Dwight Co., Inc., Amended and Restated Omnibus Equity Compensation Plan, incorporated by reference to Exhibit A to the Company's Proxy Statement for its 2013 Annual Meeting of Stockholders, filed on March 21, 2013.
*	(10.12)	Church & Dwight Co., Inc. Annual Incentive Plan, incorporated by reference to Exhibit A to the Company's Proxy Statement for its 2012 Annual Meeting of Stockholders, filed on March 23, 2012.
*	(10.13)	Employment Agreement, dated October 31, 2011, by and between the Company and Patrick de Maynadier, incorporated by reference to Exhibit 10.18 to the Company's annual report on Form 10-K for the year ended December 31, 2011.
*	(10.14)	Employment Agreement, dated August 23, 2006, by and between the Company and Matthew T. Farrell, incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q for the quarter ended September 29, 2006.

*	(10.15)	Employment Agreement, dated July 16, 2004, by and between Church & Dwight Co., Inc. and Louis H. Tursi, incorporated by reference to Exhibit 10(w) to the Company's annual report on Form 10-K for the year ended December 31, 2004.
*	(10.16)	Amended and Restated Change in Control and Severance Agreement, entered into by and between the Company and Matthew T. Farrell, incorporated by reference to Exhibit 10.1 to the Company's current report on Form 8-K filed on February 2, 2016.
*	(10.17)	Form of Amended and Restated Change in Control and Severance Agreement entered into by and between the Company and each of the senior executive officers (other than Matthew T. Farrell), incorporated by reference to Exhibit 10.2 to the Company's current report on Form 8-K filed on February 2, 2016.
	(10.18)	Lease Agreement (Build to Suit), dated July 20, 2011, between Church & Dwight Co., Inc. and CD 95 L.L.C., incorporated by reference to Exhibit 10.1 to the Company's quarterly report on Form 10-Q for the quarter ended September 30, 2011.
•	(12)	Computation of ratios of earnings to fixed charges.
•	(21)	List of the Company's subsidiaries.
•	(23.1)	Consent of Independent Registered Public Accounting Firm.
•	(31.1)	Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act.
•	(31.2)	Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(a) under the Securities Exchange Act.
•	(32.1)	Certification of the Chief Executive Officer of the Company pursuant to Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350.
•	(32.2)	Certification of the Chief Financial Officer of the Company pursuant to Rule 13a-14(b) under the Exchange Act and 18 U.S.C. Section 1350.
	(101)	The following materials from Church & Dwight Co., Inc.'s annual report on Form 10-K for the year ended December 31, 2016, formatted in XBRL (eXtensible Business Reporting Language): (i) Consolidated Statements of Income for each of the three years in the period ended December 31, 2016, (ii) Consolidated Balance Sheets at December 31, 2016 and December 31, 2015, (iii) Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2016, (iv) Consolidated Statements of Stockholders' Equity for each of the three years in the period ended December 31, 2016 and (v) Notes to Consolidated Financial Statements.

• Indicates documents filed herewith.

* Constitutes management contract or compensatory plan or arrangement required to be filed as an exhibit to this Annual Report.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized, on February 24, 2017.

CHURCH & DWIGHT CO., INC.

By: */s/ MATTHEW T. FARRELL*

MATTHEW T. FARRELL
PRESIDENT AND CHIEF EXECUTIVE OFFICER

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

/s/ T. Rosie Albright **T. Rosie Albright**	Director	February 24, 2017
/s/ James R. Craigie **James R. Craigie**	Chairman	February 24, 2017
/s/ Matthew T. Farrell **Matthew T. Farrell**	President and Chief Executive Officer, Director	February 24, 2017
/s/ Bradley C. Irwin **Bradley C. Irwin**	Director	February 24, 2017
/s/ Robert D. LeBlanc **Robert D. LeBlanc**	Director	February 24, 2017
/s/ Penry W. Price **Penry W. Price**	Director	February 24, 2017
/s/ Ravichandra K. Saligram **Ravichandra K. Saligram**	Director	February 24, 2017
/s/ Robert K. Shearer **Robert K. Shearer**	Director	February 24, 2017
/s/ Janet S. Vergis **Janet S. Vergis**	Director	February 24, 2017
/s/ Arthur B. Winkleblack **Arthur B. Winkleblack**	Director	February 24, 2017
/s/ Richard A. Dierker **Richard A. Dierker**	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 24, 2017
/s/ Steven J. Katz **Steven J. Katz**	Vice President and Controller (Principal Accounting Officer)	February 24, 2017

CHURCH & DWIGHT CO., INC. AND SUBSIDIARIES

SCHEDULE II—Valuation and Qualifying Accounts
For each of the three years in the period ended December 31, 2016
(Dollars in millions)

	Beginning Balance	Additions: Charged to Expenses	Additions: Acquired	Deductions: Amounts Written Off	Foreign Exchange	Ending Balance
Allowance for Doubtful Accounts						
2016	**$ 1.0**	**$ 1.3**	**$0.0**	**$ (0.3)**	**$ 0.1**	**$ 2.1**
2015	1.9	0.3	0.0	(1.0)	(0.2)	1.0
2014	0.8	1.5	0.0	(0.2)	(0.2)	1.9
Allowance for Cash Discounts						
2016	**$ 4.6**	**$69.8**	**$0.0**	**$(69.8)**	**$ 0.0**	**$ 4.6**
2015	5.2	68.6	0.0	(69.2)	0.0	4.6
2014	5.1	66.9	0.0	(67.0)	0.2	5.2
Sales Returns and Allowances						
2016	**$11.9**	**$56.7**	**$0.0**	**$(56.8)**	**$ 0.3**	**$12.1**
2015	11.9	67.4	0.0	(67.4)	0.0	11.9
2014	11.6	58.6	0.0	(58.1)	(0.2)	11.9

EXHIBIT 31.1

CERTIFICATIONS

I, Matthew T. Farrell, certify that:

1. I have reviewed this annual report on Form 10-K of Church & Dwight Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of any material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on our evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2017

/s/ Matthew T. Farrell

Matthew T. Farrell
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Richard A. Dierker, certify that:

1. I have reviewed this annual report on Form 10-K of Church & Dwight Co., Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of any material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on our evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 24, 2017

/s/ Richard A. Dierker

Richard A. Dierker
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION PURSUANT TO
RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT AND
18 U.S.C. SECTION 1350

I, Matthew T. Farrell, President and Chief Executive Officer of Church & Dwight Co., Inc. (the "Company"), hereby certify that, based on my knowledge:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Matthew T. Farrell*
Matthew T. Farrell
President and Chief Executive Officer

Dated: February 24, 2017

EXHIBIT 32.2

CERTIFICATION PURSUANT TO
RULE 13a-14(b) UNDER THE SECURITIES EXCHANGE ACT AND
18 U.S.C. SECTION 1350

I, Richard A. Dierker, Executive Vice President and Chief Financial Officer of Church & Dwight Co., Inc. (the "Company"), hereby certify that, based on my knowledge:

1. The Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2016 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: */s/ Richard A. Dierker*
Richard A. Dierker
Executive Vice President and Chief Financial Officer

Dated: February 24, 2017

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CORPORATE INFORMATION

Investor Information

Corporate Headquarters

Church & Dwight Co., Inc.
Princeton South Corporate Park
500 Charles Ewing Blvd.,
Ewing, New Jersey 08628
609.806.1200

Corporate Website
www.churchdwight.com

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
100 Kimball Drive, Parsippany, NJ 07054

Transfer Agent and Registrar

Computershare Inc.
250 Royall Street, Canton, MA 02021
866.299.4219

Stock Listing

Church & Dwight Co., Inc. shares are listed on the New York Stock Exchange. The symbol is CHD.

10-K Report

Stockholders may obtain a copy of the Company's Annual Report on Form 10-K for the year ended 12/31/16 filed with the Securities and Exchange Commission by writing to the Secretary at Corporate Headquarters.

Stockholder Inquiries

Communications concerning stockholder records, stock transfer, changes of ownership, account consolidations, dividends and change of address should be directed to:

Church & Dwight Co., Inc.
Computershare Inc.
Shareholder Relations
866.299.4219

Shareholder correspondence should be mailed to:

Church & Dwight Co., Inc.
Computershare
P.O. BOX 30170, College Station, TX 77842-3170

Overnight correspondence should be sent to:

Church & Dwight Co., Inc.
Computershare
211 Quality Circle, Suite 210
College Station, TX 77845
www.computershare.com/investor

Dividend Reinvestment Plan

Computershare Trust Company, N.A. administers a dividend reinvestment and stock purchase plan for our Stockholders.

For details, contact:

Dividend Reinvestment Plan
Church & Dwight Co., Inc.
Computershare Trust Company, N.A.
250 Royall Street, Canton, MA 02021
866.299.4219

The annual meeting of stockholders will be held at:

12:00 P.M. Thursday, May 4, 2017
Corporate Headquarters
Princeton South Corporate Park
500 Charles Ewing Blvd., Ewing
New Jersey 08628
609.806.1200

New York Stock Exchange Certification

Our Chief Executive Officer has provided the required annual certification to the New York Stock Exchange.

Cautionary Note On Forward-Looking Information:

This Annual Report contains forward-looking statements which are based on current assumptions that are subject to risks and uncertainties that may cause actual results to differ materially from the forward-looking statements, including the risks and uncertainties discussed on pages 15-29 of Form 10-K. The Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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Church & Dwight Co., Inc.
Princeton South Corporate Center
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Ewing, NJ 08628

www.churchdwight.com